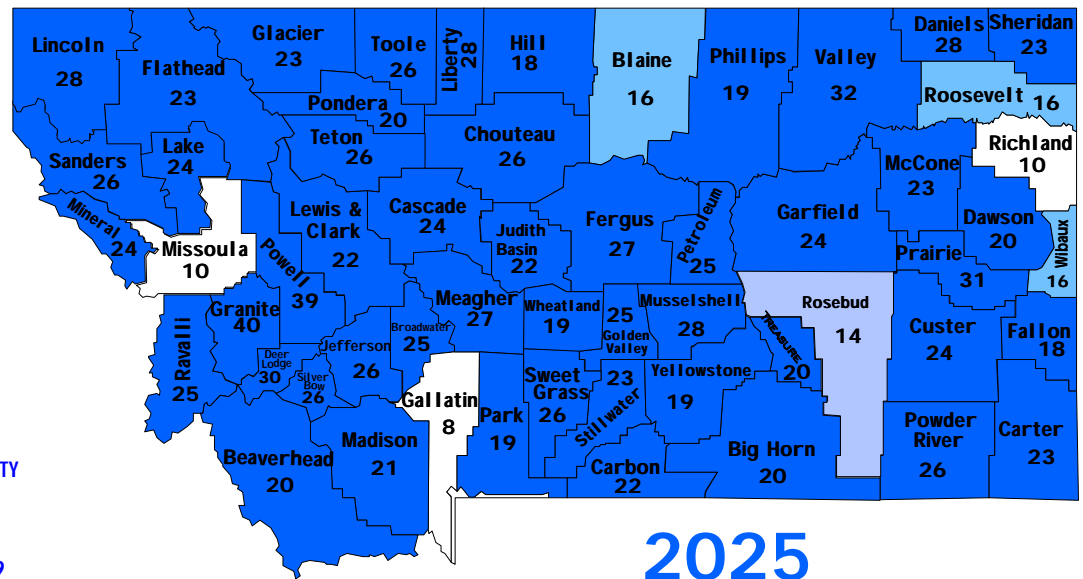
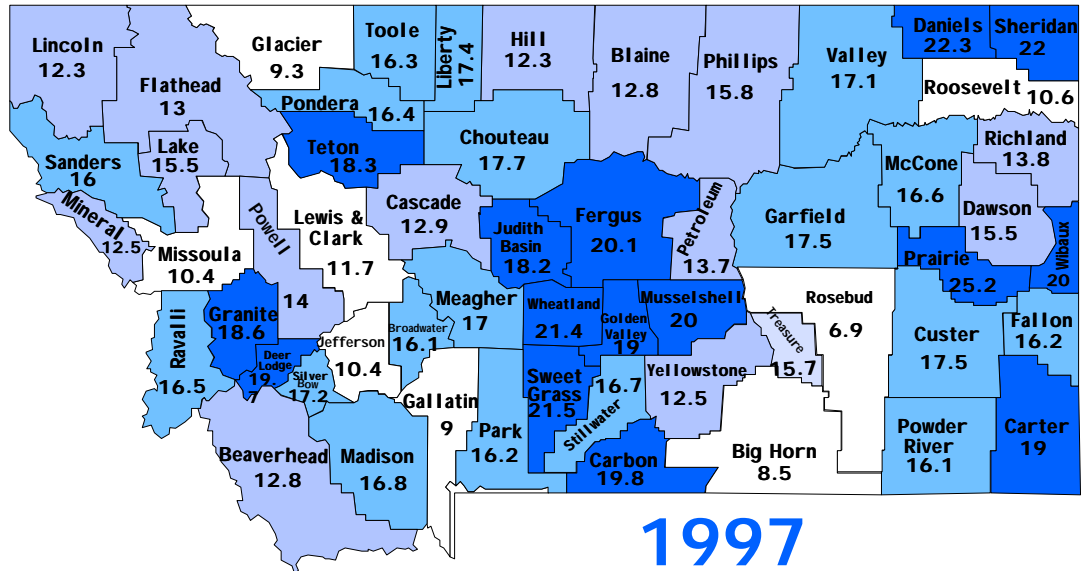


THE STATE OF AGING IN MONTANA



PERCENT OF COUNTY
POPULATION 65+

- 6.9 to 11.9
- 12.0 to 15.9
- 16.0 to 17.9
- 18.0 to 39.9

**The Aging Baby Boom:
Implications for State Government**

“THE STATE OF AGING IN MONTANA” REPORT

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I. PURPOSE AND SCOPE OF REPORT

Most of us are aware that Americans are getting older. It is hard to avoid the message. Everyday the media is filled with discussions about how the aging of the infamous “Baby Boom” generation will affect social programs such as Medicare, Medicaid, Social Security as well as other important aspects of our national life. If you ask the average Montanan to describe the impact they believe getting older will have on how they live you are likely to get a wide range of answers. Some people have thought seriously about, and planned for, the challenges and opportunities associated with aging. Some are dimly aware that getting older will mean changes to the way they live but are uncertain about what to expect and how to prepare. Many have chosen to ignore the issue believing that it doesn’t apply to them or that there is little they can do to prepare for the future.

In many ways, the reaction of Montana’s state government to the issues associated with the changing demographics of an aging population mirrors that of the citizens of the state. In some parts of government the potential impact is obvious, and the process of preparing for the future is well under way. In other areas, the impact of a rapidly aging citizenry are thought to be minimal or unclear. This report examines how the dramatic changes associated with the aging of Montana’s population will affect the way state government functions. What issues will Montanans face? What is state government doing to prepare for the future? As with most important endeavors, beginning sooner rather than later is the best plan. This report is intended to inspire discussions and actions that will help prepare our state for an uncertain, but rapidly approaching, future in an older world.

II. THE STATE OF AGING IN MONTANA

Over the past sixty years, the aging population has increased in number and has been impacted by historical events, including the Great Depression and the “Baby Boom.” A brief overview of these historical events and changing demographics provides insight as to why the aging population is expected to increase dramatically by the year 2011 and why Montana’s state government must prepare for this demographic transformation.

A. Past

The stock market crash of 1929 marked the beginning of the Great Depression. Unemployment increased and economic security was threatened. Farmers lost their land, workers lost their jobs, and many Americans lost their savings as thousands of banks closed. Many lower and middle class families could not afford the basic necessities for their children, and the birthrate declined. Several new federal programs and agencies were endorsed to reduce unemployment and restore prosperity, resulting in increased government involvement in the lives of Americans.¹ During this time period, Montana’s demographics looked considerably different than what is seen today. In 1930:

¹ “New Deal.” *Encarta Concise Encyclopedia*. Online.
ncarta.msn.com/index/concise/vol1B/03389000.asp. 12 Aug. 1998.

- Approximately half a million (537,606) people were living in Montana. The number of men living in Montana (55%) outnumbered the number of women (45%).²
- Only 5% (26,700) of Montana's population was aged 65 or over. Just under 62% of senior citizens were men, while 38% were women.³

By 1970, the 78 million Americans known as the baby boom generation, born between 1946 and 1964, were significantly impacting our economy, school system, social issues, and labor market. Between 1930 and 1970, government continued to increase involvement in the lives of Americans. Monthly Social Security payments were being made. Cost of Living Allowances (COLAs) were created. A disability insurance program was initiated; and Medicare was created.⁴ Montanans saw a number of changes over that time period as well. By 1970:

- Montana's population had increased to 694,409 people, a 30% increase when compared to 1930 census figures. By this time, women living in Montana outnumbered the men.⁵
- In 1970, 13.6% of Montana residents were living on incomes under the poverty level.⁶
- The 68,736 Montana residents over the age of 65 constituted just under 10% of Montana's total population, nearly double the percentage reflected in 1930. While men constituted 46% of seniors living in Montana, women accounted for 54% of the senior population.⁷
- 9% of Montana's aging population were 85 and older.⁸
- In comparison to Montana's general population, a disproportionate percentage of senior citizens were living under the poverty level. In fact, 19.5% of Montanans 65 and older were living below the poverty level. Of those seniors living below the poverty level, 81.8% were receiving Social Security income.⁹

B. Present

In the early 1980's, the Social Security program faced a serious long-term financing crisis. By 1983, numerous changes were made in the Social Security and Medicare

² U.S. Department of Commerce, Bureau of the Census. Fifteenth Census of the United States: 1930. Population Montana-Wyoming Table 3.

³ See, Footnote 2.

⁴ Social Security Administration. "Social Security – A Brief History." Online. www.ssa.gov/history/history6.html. 18 Mar. 1998.

⁵ U.S. Bureau of the Census. 1970 Census of Population Table 20.

⁶ U.S. Bureau of the Census, 1970 Census of Population Table 69; Montana Dept. of Labor & Industry, Research & Analysis Bureau, Annual Labor Force for Montana.

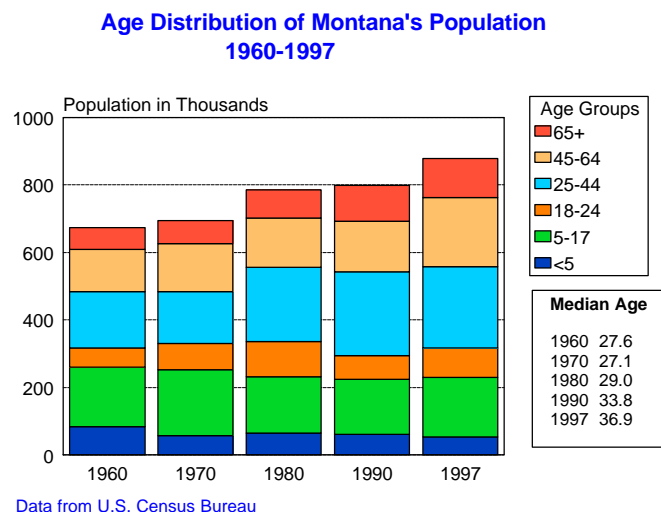
⁷ See, Footnote 5.

⁸ See, Footnote 5.

⁹ See, Footnote 5.

programs, including the taxation of Social Security benefits and an increase in the retirement age in the next century. Social Security had grown to become an essential facet of modern life. From 1940, when slightly more than 222,000 people received monthly Social Security benefits, until today, when over 42 million people receive such benefits, Social Security has grown steadily. In fact, approximately one in seven Americans receives a Social Security benefit, today. While the growth of the aging population slowed somewhat during the 1990's due to the relatively small number of babies born during the Great Depression, the aging population has significantly transformed since that time period:¹⁰

- On January 1, 1996, the first of the baby boomers started turning 50. In fact, every seven and one-half minutes a boomer will celebrate his or her 50th birthday.¹¹
- By 1996, the national percentage of Americans 65 and older had more than tripled since 1900.¹²
- In 1996, the group of Americans age 65-74 was eight times larger than in 1900. The 75-84 age group was 16 times larger, and the 85+ age group was 31 times larger.¹³
- In 1997, a total of 878,810 people resided in Montana, a 26.5% increase over 1970 census figures. The percentage of women living in Montana continued to outnumber the percentage of men by a narrow margin.¹⁴
- In 1998, Montana's median age was 37, the 5th highest median age in the nation.¹⁵
- Since 1970, Montana has experienced a 69% increase in its aging population. In 1997, Montanans aged 65 and older comprised over 13% (116,143) of Montana's total population. In this age group, 44% were men and 56% were women.¹⁶



¹⁰ See, Footnote 4 and American Association of Retired Persons and Administration on Aging. "Profile of Older Americans: 1997." Online. www.aoa.dhhs.gov/aoa/stats/profile/. 17 Mar. 1998.

¹¹ Administration on Aging. "AOA National Invitational Meeting Summary and Follow Up." (July, 1996). www.aoa.dhhs.gov/aoa/rr/may13sum.htm. 23 Dec. 1998.

¹² See, Footnote 10.

¹³ See, Footnote 10.

¹⁴ U.S. Bureau of the Census. Estimates of the Population of the U.S., Regions, and States by Selected Age Groups and Sex Annual Time Series, April 1, 1990 to July 1, 1997. (ST-97-5).

¹⁵ Hovey, Kenra and Harold A. "CQ's State Fact Finder 1998 Rankings Across America" *Congressional Quarterly Inc.* Washington, D.C. (8 June 1998).

¹⁶ U.S. Bureau of the Census. Estimates of the Population of the U.S., Regions, and States by Selected Age Groups and Sex Annual Time Series, April 1, 1990 to July 1, 1997. (ST-97-5).

- In 1997, the 14,285 Montanans aged 85 and older accounted for approximately 12% of Montana's elderly population. Women outnumbered men in this age group nearly 2 to 1.¹⁷
- In 1990, a greater percentage, (15.6%), of Montana's population were living below the poverty level than was the case in 1970. However, a smaller percentage, (11.7%) of those in poverty were over the age of 65. Congressional Quarterly, Inc. reports that in 1998 Montana ranked 7th highest in the nation with 17% of our population living under the poverty level.¹⁸
- The 1998 Census projections indicate the counties in Montana with the greatest percentage of senior citizens were located in rural areas and are largely located in the eastern part of the state. For example, 24% of the population residing in Prairie and Sheridan Counties as well as 23% of the population residing in Daniels and Liberty Counties were age 65 and older. Twenty percent of the population in Wheatland and Powder River Counties exceeded age 65.¹⁹
- Census projections from 1998 indicate the counties with the lowest percentage of population over the age of 65 are largely located in the southern portion of the state. For example, 9% of the population residing in Gallatin County and 8% of the population residing in Rosebud and Big Horn Counties are age 65 and older. The senior citizens in counties with the greatest amount of total residents, including Cascade County, Flathead County, Missoula County and Yellowstone county range from 10% to 14% of those counties' total population.²⁰

C. Future

The maturing of the "Baby Boomers" will take some time to complete. They will not be a majority of those aged 50 to 74 until 2005. The Bureau of Labor Statistics projects a slowing trend in the growth rate of the U.S. work force as the baby boomers retire, projecting growth only half as fast as the growth rate of the general population.²¹ Consequently, our nation is on the verge of an unprecedented demographic transformation which is driven by two forces: the aging of the baby boomers and increasing life expectancy. This demographic transformation raises serious concerns about future implications for our state and federal governments:

- The most rapid increase in the aging population is expected between the years 2010 and 2030 when the "baby boom" generation will reach age 65. By 2030, there will be

¹⁷ See, Footnote 14.

¹⁸ U.S. Bureau of the Census. 1990 Census of Population and Housing – Summary Tape File 2 and Summary Tape File 3A; Hovey, Kendra and Harold A. "CQ's State Fact Finder 1998 Rankings Across America." *Congressional Quarterly Inc.* Washington, D.C. (8 June 1998).

¹⁹ Census and Economic Information Center, Montana Department of Commerce. 1998 Regional Economic Projections Series Demographic Database: Total Persons.

²⁰ See, Footnote 19.

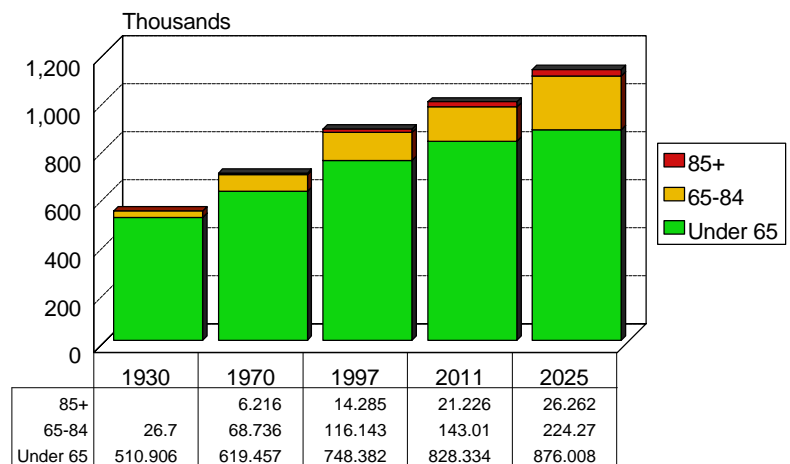
²¹ "Labor Trends: Baby Boomers Turn 50." *CareerMart*. Online. www.careermart.com/advise/mresearch/bboomer.htm. 12 Aug. 1998.

approximately 70 million senior citizens nationwide, more than twice their number in 1996.²² Between the years 2010 to 2030, the population aged 65 and older is expected to grow nationally by 75%.²³

- Between the years of 1995 and 2010, the population aged 85 and older is expected to grow by 56% nationally, as compared to 13% for the population aged 65 to 84. Between the years 2030 and 2050, the 85+ age group is expected to increase by 116% as the baby boomers age.²⁴
- Individuals 80 and older require more health services because they are vulnerable to functional and cognitive declines from chronic disease and to acute events that can lead to hospitalization and/or institutionalization. Approximately 70% of this age group endure at least two co-existing chronic conditions, such as arthritis and diabetes.²⁵

- By 2011, Montana's population is projected to increase to 992,570, and the gender split is anticipated to be 50/50.²⁶

Projected Growth In State Population
1930-2025



Projections from U.S. Census Bureau

graph1

- By 2011, Montana's 65+ population is expected to increase to 143,010, which would constitute 14% of Montana's total population. Women are expected to account for 56% of the elderly population.²⁷

- By 2011, Montana seniors 85+ are expected to increase in number to 21,226, a 60% increase over 1997 census figures. Women are expected to constitute 68% of the 85+ population.²⁸

²² See, Footnote 10.

²³ Administration on Aging. "Aging into the 21st Century." Online. www.aoa.dhhs.gov/aoa/stats/aging21/demography.html#Growth. 20 Aug. 1997.

²⁴ See, Footnote 23.

²⁵ Agency for Health Care Policy and Research. "Studies Examine Health Care Needs and Access to Care for People Age 80 and Older." *Elderly Health/Long Term Care Vol. 217*. (July 1998).

²⁶ NPA Data Services, Inc. *Processed by: Census and Economic Information Center, Montana Department of Commerce. 1998 Regional Economic Projections Series Demographic Database: Total Persons.*

²⁷ See, Footnote 26.

²⁸ See, Footnote 26.

- By 2025, Montana's projected population will be 1, 126, 540 people. The gender split will still be close.²⁹
- By 2025, the state's aging population is projected to total 224,270, or 20% of Montana's total population. Women are expected to account for 54% of the aging population.³⁰
- By 2025, Montanans 85+ are expected to reach 26,262, a 97.5% increase over 1997 census figures. Women are expected to account for 66% of this age group.³¹
- By 2025, census projections indicate that Montana counties with the greatest percentage of senior citizens will include: Granite County at 40%, Powell County at 39%, Valley County at 32%, Prairie County at 31%, and Deer Lodge County at 30%.³²
- By 2025, census projections indicate that Montana counties with the lowest percentage of senior citizens include: Gallatin County at 8%, Richland County at 10%, and Missoula County at 10%.³³
- By 2025, the most populated counties will see a significant increase in their elderly population. The aging population in Cascade County is projected to increase to 24%. The aging population in Flathead County is projected to increase to 23%, and the aging population in Yellowstone County is projected to increase to 19%.³⁴

III. IMPLICATIONS FOR STATE GOVERNMENT

The aging boom will present a number of implications for state government. Some units of Montana's state government are well aware of the issues which will effect them as a result of the anticipated increase in Montana's aging population and are preparing to serve the needs of an increasingly older population. Department of Public Health and Human Services, (DPHHS), staff conducted interviews with officials representing a number of units of state government to explore the implications that are anticipated for their respective sections as a result of the increase in the aging population. The views presented in this report are intended to reflect the perspective of each unit of state government interviewed for this report.

²⁹ See, Footnote 26.

³⁰ See, Footnote 26.

³¹ See, Footnote 26.

³² See, Footnote 26.

³³ See, Footnote 26.

³⁴ See, Footnote 26.

A. DEPARTMENT OF TRANSPORTATION

1. MISSION AND PURPOSE

The Montana Department of Transportation, (MDT), is responsible for establishing and maintaining a transportation system emphasizing safety, environmental preservation, cost effectiveness, and quality. MDT officials express a sincere desire to assist elderly citizens in preserving their mobility for as long as possible.

2. FAST FACTS

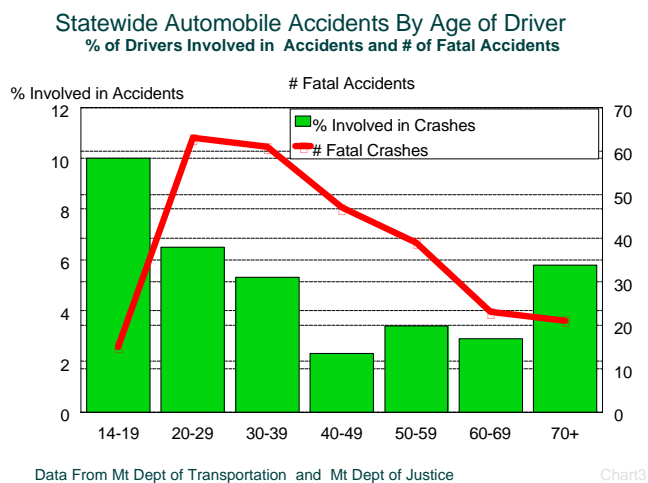
- Montana has about 69,580 miles of public roads and highways.
- In 1997, MDT crews plowed 3,791,341 miles of highway, the equivalent of 8 round trips to the moon.
- In 1997, 16.1% of drivers involved in crashes in Montana were over the age of 55.
- In 1997, 51 Montanans over the age of 65 died in motor vehicle accidents.

3. ISSUES

➤ More older drivers will be on the roads

MDT officials recognize that an increasing aging population is likely to result in more crashes involving aged drivers. They have identified some safety factors which affect people as they age. First, a person's sight and reaction time often diminishes around age 55. Second, retirees often travel extensively in recreational vehicles, often towing multiple vehicles, with little or no experience in doing so. Third, the elderly often make left turns too sharply.

According to the Highway Safety Information System (HSIS), accidents involving older drivers and pedestrians are becoming a significant traffic safety concern as the proportion of the aging population increases. National data indicates that elderly people have higher rates of fatal crashes per mile



driven, per 100,000 people, and per licensed driver than any other group except young drivers.³⁵ Unfortunately, data is not available to determine whether this is true for Montana's elderly drivers. Available data reflects that young and elderly drivers are involved in a greater percentage of crashes in Montana, but a smaller number of these drivers are involved in fatal accidents, than middle-aged drivers. However, the missing data, which takes into consideration the number of crashes per mile driven per age group, may considerably affect these conclusions.

According to HSIS accident analysis, intersections appear to be particularly hazardous for the elderly. Crashes involving elderly drivers often relate to difficulties in distinguishing target vehicles from surrounding clutter, judging closing speeds of target vehicles, and/or an inability to use the acceleration capabilities of the cars they are driving.³⁶

MDT staff are working toward decreasing accidents relating to age and are improving highway safety for all Montanans. The department receives federal and state funds for the Hazard Elimination Safety Program for projects that address cluster accidents. One such project started in 1991, when MDT officials examined accident data relating to age and took steps to change accident patterns and improve highway safety. Department crews painted the fog line on U.S. 93 and U.S. 2 up to Polson two inches wider than normal, painted the signs with high intensity paint, and installed signs encouraging travelers to utilize their headlights on that stretch of highway. Accidents were reduced in this area by 10% between 1991 and 1995. Department officials expect that environmental changes like these will be necessary to improve the visibility of signs and pavement markings on Montana highways to improve safety for all drivers.

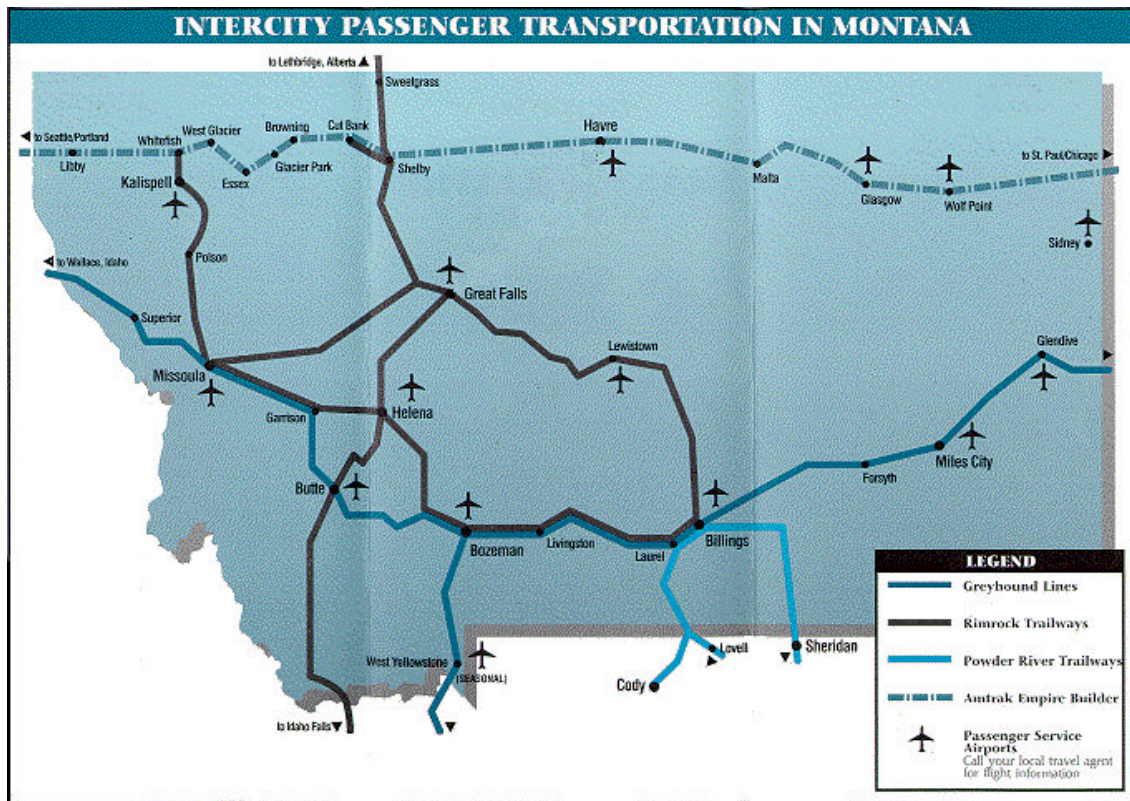
Another example of how the department is working toward improving highway safety for elderly drivers includes their efforts to work with law enforcement to help the elderly with traffic infractions in lieu of issuing tickets. They also recommend that drivers be re-examined in the event of serious infractions. Restricted drivers' licenses are issued to address potential hazards such as night blindness. MDT officials anticipate that licensing requirements for drivers may eventually require a more stringent driving and eye exam. MDT officials strive to avoid discrimination against the elderly while taking measures to assist them in driving safely. Department staff collaborate with the American Automobile Association Foundation to provide publications geared toward drivers 55+. One such publication, "Drivers 55 Plus: Test Your Own Performance," includes a self-rating form and suggestions for safe driving. The American Association of Retired Persons, (AARP), offers a driving course for the elderly which when taken results in a discount in insurance.

³⁵ Insurance Institute for Highway Safety. "1997 Fatality Facts: Elderly." Online. www.highwaysafety.org/facts/elder.htm. 13 Oct. 1998.

³⁶ Highway Safety Information System. "Summary Report: Accident Analysis of Older Drivers at Intersections." Online. www.tfhr.gov/hsis/94-021.htm. 20 Jan. 1999.

➤ **Few transportation options exist for the elderly who are unable to drive**

The transit dependent population is likely to increase as Montana's aging population increases. MDT staff are currently developing ways to increase the availability of transit, and they plan to continue their efforts in the future. In accordance with a federal mandate, MDT staff have developed a twenty year statewide multi-model transportation plan which includes goals and actions relating to the needs of the elderly and disabled population. Federally funded transit assistance under Section 5310 provides funding for busses and small vans which provide transportation for senior centers, developmental disability programs, hospitals, and nursing homes. Section 5311 also provides for a general public transit program which is used primarily by the elderly. MDT staff are conducting an inter-city and rural transportation study. They have identified public transportation gaps in the eastern portion of the state. For example, the only public transportation available between Wolf Point and Shelby is the Amtrak Empire Builder. The only public transportation available between Glendive and Billings is the Greyhound Bus. Inter-city passenger transportation currently available in Montana is reflected in the following map.



MDT officials are considering subsidies which provide free or low cost tickets for inter-city transit, in an attempt to increase the demand necessary to support these services. Staff are also negotiating an agreement with Mountain Line of Missoula which will provide much needed van pool services to the Bitterroot Valley. MDT officials are committed to dedicating funds for transit. Current funding is not adequate to provide the transit services needed in Montana, so the department is utilizing a highway construction funding source to increase the resources desperately needed for transit programs.

B. DEPARTMENT OF JUSTICE

1. MISSION AND PURPOSE

The Montana Department of Justice, (DOJ), ensures and promotes the public interest, safety, and well-being of Montanans through leadership, advocacy, education, regulation, and law enforcement. DPHHS staff interviewed representatives from three sections of the DOJ regarding the implications of an increasing aging population. These sections include: the Crime Control Division, the Medicaid Fraud Control Unit, and the Motor Vehicle Division. The Crime Control Division is the state's designated planning and program development agency for the criminal justice system. This division administers federal anti-drug and anti-crime grants, certifies peace officers, and provides assistance and compensation to victims of crime. Montana's Medicaid Fraud Control Unit investigates and prosecutes fraud by Medicaid providers, as well as the abuse and neglect of patients in nursing homes. The Motor Vehicle Division licenses individual and commercial drivers, administers driver license records and actions, issues motor vehicle registrations and titles, licenses and controls motor vehicle dealers, inspects and verifies vehicle identification numbers, and provides training to county treasurers, vehicle dealers, and financial institutions.

2. FAST FACTS

- The Medicaid program's price tag has risen from \$3.9 billion in 1968 to more than \$130 billion in 1993. The most common Medicaid fraud "rip offs" are: billing for phantom patient visits, billing for goods or services not provided or old items as new, billing for more hours than are in a day, billing for medically unnecessary testing, paying kickbacks in exchange for referrals, charging personal expenses to Medicaid, inflating the bills for services or goods provided, concealing ownership of related companies, falsifying credentials, and double billing.³⁷

- Persons age 65 and older have the lowest victimization rates for all types of crime. Victimization rates are higher for elderly men than elderly women.³⁸ In 1997, more than 75% of all Montana residents were licensed to drive. 15% of Montana's licensed drivers were over the age of 65, and

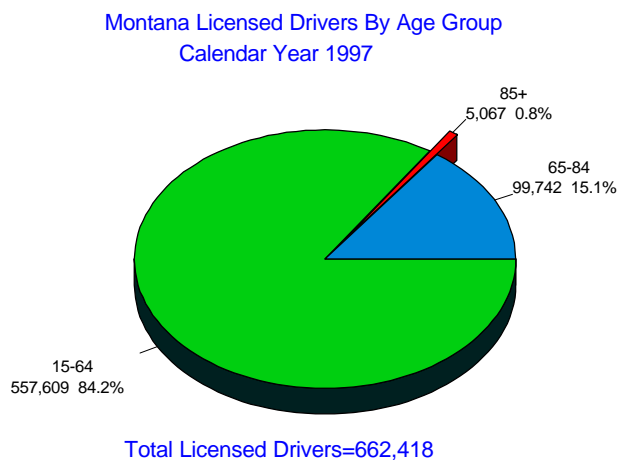


Chart 5

³⁷ Health Care Finance Administration. Medicaid Bureau Fraud and Abuse Information. (May 22, 1998). Online. www.hcfa.gov/medicaid/mbfraud.htm. 16 Dec. 1998.

³⁸ U.S. Department of Justice, Bureau of Justice Statistics. "Elderly Crime Victims." Online. <http://www.ojp.usdoj.gov/bjs/pub/ascii/ecv.txt>. 30 Oct. 1998.

less than 1% of Montana's licensed drivers were 85 or older.³⁹

- Nationally, elderly people have higher rates of fatal crashes per mile driven, per 100,000 people, and per licensed driver than any other group except young drivers.⁴⁰

3. ISSUES

a. CRIME CONTROL DIVISION

- **Victimization of the elderly**

Over the last 10 years, the crime rate in Montana has remained stable. Although the crime rate is expected to remain stable, it is difficult to predict. Unfortunately, the Montana Board of Crime Control does not maintain records regarding the percentage of crimes that victimize the elderly. Staff are in the process of modifying their records management system, so victimization rates and crime patterns may be available for analysis in the future.

Although state specific data is not available for Montana, the federal government has studied the victimization of the elderly. According to a U.S. Department of Justice report on elderly crime victims, crime victimization rates among the elderly have generally declined. The elderly appear to be particularly susceptible to crimes motivated by economic gain. These crimes include robbery, personal theft, larceny, burglary, and motor vehicle theft. Robberies constitute 38% of the violent crimes against the elderly, compared to 20% of the violence experienced by persons younger than age 65.

Elderly victims of violent crime are more likely than younger victims to face assailants who are strangers, and are almost twice as likely as younger victims to be raped, robbed, or assaulted at or near their homes. The U.S. Department of Justice report on elderly crime victims notes that the vulnerability of the elderly to violent crime at or near their homes could be a reflection of their lifestyle, because they often live alone, do not work away from homes, and are less likely to leave their homes after dark. Elderly victims are less likely than younger victims, to act to protect themselves during a violent crime, but they are more likely than younger victims to report those crimes to the police.⁴¹

b. MOTOR VEHICLES DIVISION

- **The Motor Vehicles Division needs additional funding and resources to better study the impact of licensing an increasingly older population**

The Motor Vehicle Division, (MVD), is not prepared to study or evaluate the impact that the increase in Montana's aging population will have on the licensing of drivers. Division staff feel they need funding and more research and evaluative tools to better

³⁹ Montana Department of Justice, Motor Vehicle Division. "Net Number of Licensed Drivers." (1997).

⁴⁰ See, Footnote 35.

⁴¹ See, Footnote 38.

study the impact of licensing an increasingly older population. An official from the Motor Vehicle Division acknowledges that the appropriateness of the driving tests may need to be re-examined in the future, but is sensitive to concerns that changes in the licensing process should not discriminate against the elderly. Montana MVD staff are currently studying a model program for aging drivers which is being tested in Maryland. They are also studying a similar “at risk” program in Oregon which calls drivers in for re-examination based on observed driving errors or medical recommendations. The Oregon program identifies drivers who have lost the ability to drive safely and helps these individuals make the transition from driver to permanent passenger. MVD officials have expressed concerns about the adequacy and availability of counseling necessary to assist the elderly when they are no longer able to drive. Division officials are also concerned about the scarcity of public transportation in Montana. Like the Department of Transportation, the MVD provides a number of informative and educational brochures geared toward older drivers.

c. MEDICAID FRAUD CONTROL UNIT

➤ Protecting the elderly from Medicaid fraud

The Medicaid Fraud Control Unit, (MFCU), of the Montana Department of Justice investigates and prosecutes alleged cases of Medicaid fraud and patient abuse reported in Medicaid funded facilities. Patient abuse includes the alleged misuse of patient funds and other property. The alleged victim of abuse does not have to be a Medicaid recipient. Medicaid fraud caseloads have steadily increased since the MFCU began operations in April of 1996. Medicaid fraud investigators expect their caseload will continue to increase as the aging population increases. An official from the MFCU notes that one contributing factor to an increasing caseload is the difficulty long term care facilities experience retaining qualified staff to care for the increasing elderly population. As a result, there is an increased risk for abuse and exploitation in these facilities. Senator Max Baucus recently introduced the Senior Citizen Protection Act which would, if enacted, directly expand the authority of the Medicaid Fraud Control Unit, by giving investigators the authority to handle reported cases of abuse in board and care facilities, regardless of whether those facilities receive any Medicaid dollars. This would increase the number and types of facilities which would be subject to investigation and prosecution by the Medicaid Fraud Control Unit.

Medicaid fraud investigators are preparing for an increasing caseload by working more closely with Adult Protective Services, which is located under the Department of Public Health and Human Services. Medicaid Fraud anticipates that the Child and Adult Protective Services computer system, (CAPS), may be modified to alert the MFCU when an instance of abuse is entered into the system by APS. The MFCU coordinates with a number of organizations to protect the elderly from abuse. They also provide brochures and offer programs which educate nursing home residents and the public about fraud and abuse and what action to take if it does occur. In addition, the Medicaid Fraud Control Unit has established a fraud and abuse hotline (1-800-376-1115).

C. DEPARTMENT OF AGRICULTURE

1. MISSION AND PURPOSE

The Montana Department of Agriculture encourages and promotes production and marketing for agriculture and allied industries and provides protection for producers and consumers through administration and enforcement of statutes established by Montana's legislature.

2. FAST FACTS⁴²

- According to the 1992 Census of Agriculture, there are 22,000 farms and ranches in Montana.
- Montana has 59.7 million acres of land in farms and ranches, which ranks second in the nation, behind Texas.
- Agriculture is Montana's largest industry, generating \$2.3 billion for the state. In 1996, the value of Montana's agricultural exports totaled about \$480.2 million.
- The average size of a farm or ranch is 2,714 acres.

3. ISSUES

- **The development of new technologies is expected to offset the influence of aging on Montana's agriculture based economy and industry**

The average farmer in Montana is between 57 and 58 years old, and although the average age of farmers is expected to increase, this is not expected to affect Montana's agriculture industry. The development of new technologies has decreased the physical demands of farming and ranching. Equipment and machinery have been developed to replace manual labor. For example, in the past, grain had to be shoveled, but it is now being processed with augers and hoists. In addition, a program called "Agribility" provides funds to convert farm equipment for disabled farmers. Because of developments like these, economics is expected to affect family farms more than the aging process.

- **The number of family farms is declining**

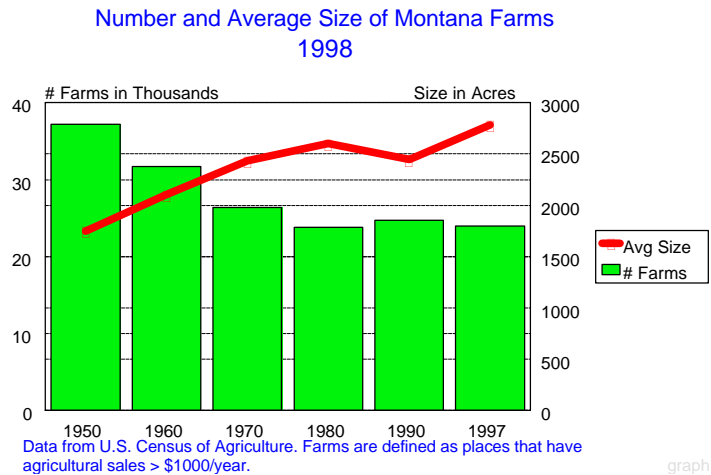
As farmers age, retire, and/or sell their family farms, the dynamics of the remaining family farms are impacted by their increasing size, the technology used, and an increase in out-of-state ownership. With the decline in the number of family farms, there is an increase in the acreage of the remaining family farms. Thus, the agriculture industry is continuing to produce at the same rate. The Department of Agriculture is working with

⁴² Montana Department of Agriculture. Montana Ag Information and Statistics. Online. <http://agr.state.mt.us/agstat.shtm>. 2 Feb. 1999; Montana Agricultural Statistics Service. Montana Agricultural Facts 1996. (May 1997).

the Governor's Task Force on Vision 2005 to meet the goal of doubling Montana's agriculture's economic output by the year 2005.

➤ **The Department of Agriculture is trying to keep young people involved in farming and ranching**

The Department of Agriculture is taking steps to attract more young people to farming and ranching. The U.S.D.A. offers a Beginning Farmer Loan Program, which assists young people who are pursuing careers in farming and ranching. The Montana Department of Agriculture has a similar loan program. The department also sponsors a Young Ag Couple's Conference every year.



graph 6

D. DEPARTMENT OF LABOR AND INDUSTRY

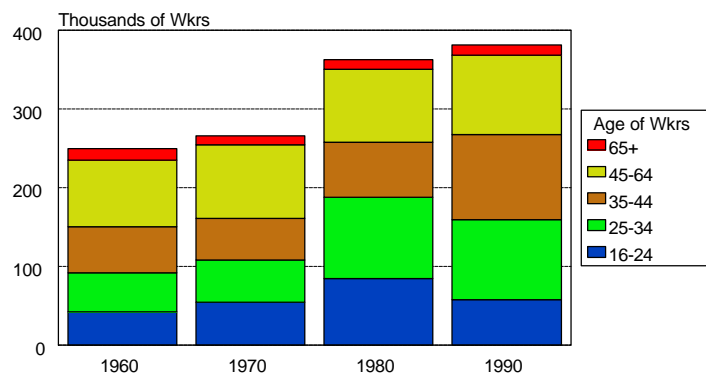
1. MISSION AND PURPOSE

The Montana Department of Labor and Industry promotes the well-being of Montana's workers, employers, and citizens, and upholds their rights and responsibilities. The Workers Compensation Court, Human Rights Commission, Board of Labor Appeals, and Board of Personnel Appeals are administratively attached to the Department of Labor and Industry. The Department provides Montana residents with employer information, worker information, safety and health information, and labor market information, as well as support and resources necessary to prepare for related hearings.

2. FAST FACTS

- In 1990, nearly 55% of Montana's labor force were baby boomers, (age 25-44).⁴³
- By 2025, there will be almost 50 million persons over age 65 in the U.S. population, but not in the labor force. This is twice the number in 1995.

Distribution of Montana's Labor Force



Data from U.S. Census Bureau

Graph 7

- In 1998, age discrimination allegations accounted for 15% of employment discrimination allegations filed with the Montana Human Rights Bureau.

3. ISSUES

➤ Retiring baby boomers will cause a decline in labor force participation

According to the U.S. Department of Labor's report, *"The Aging Baby Boom: Implications for Employment and Training Programs,"* the baby boomers increased the size of the labor force when they reached working age, and they are now raising the average age of the work force.⁴⁴ The Bureau of Labor Statistics, (BLS), also reports that labor force activity among both men and women over 50 years of age has declined in the last two decades. For example, for 60 to 64 year olds, participation rates are currently at 42%, this is down from 55% in 1965.

⁴³ Compiled by: Montana Department of Labor and Industry; Office of Research & Analysis. "Profile of the Montana Worker Data Supplement." (September 1998); Data from: 1960, 1970, 1980 & 1990 Census.

⁴⁴ U.S. Department of Labor, Employment and Training Administration. "The Aging Baby Boom: Implications for Employment and Training Programs." (June 1997). (citing Fullerton, Howard N. "The 2005 Labor Force: Growing, but Slowly." *Monthly Labor Review*. (November 1995)).

Labor force participation rates for older persons is expected to decline slightly over the next thirty years. By 2015, participation rates for 60 to 64 year olds (i.e., baby boomers) will stabilize at about 41%. Changes have also occurred in the age at which workers retire. Two common measures of retirement are (1) non-participation in the labor force, and (2) receipt of Social Security (OASI) retirement benefits.⁴⁵

By the year 2025, there will be, according to BLS, almost 50 million persons over 65, (most of them baby boomers), in the population but not in the labor force. This is twice the number as in 1995. This raises concerns about the extent to which these baby boomers will be financially prepared for old age, the added costs to the Social Security system, and increased pressure on the nation's health care system. A secondary, but important, issue concerns the potential underutilization of productive human resources.⁴⁶

According to the report, the aging of the baby boom generation will substantially increase the number of mature and older workers and the number of older workers unemployed, below poverty, and/or economically disadvantaged over the next decade. In 2005, there will be about 575,000 more persons 45 and older who are unemployed than in 1995; 2.2 million more poor persons 45 and older; and 2.4 million more economically-disadvantaged persons 45 and older.⁴⁷

The Montana Department of Labor and Industry, (DOLI), does not anticipate that the baby boomers will stay in the work force any longer than previous generations. The department anticipates that any changes in the number or flexibility of hours available to employees who have time constraints due to pensions and social security would be addressed at the federal level and states would react accordingly. DOLI officials do not expect any drastic changes in the workforce until the year 2011, when the baby boomers reach retirement age. Furthermore, department officials have no plans at this time to address the implications of an aging workforce.

➤ **An aging workforce raises some questions as to the increased potential for age discrimination.**

Employment discrimination allegations filed with the Montana Human Rights Bureau between 1996 and 1998 reflect that allegations of age discrimination rank just below allegations of sex discrimination against females and allegations of discrimination against the disabled. Age discrimination allegations accounted for 15% of employment discrimination claims filed with the Montana Human Rights Bureau in 1998.⁴⁸ Currently, DOLI officials are not planning to increase standards or promote guidelines for

⁴⁵ U.S. Department of Labor, Employment and Training Administration. "The Aging Baby Boom: Implications for Employment and Training Programs," (June 1997).

⁴⁶ U.S. Department of Labor, Employment and Training Administration. "The Aging Baby Boom: Implications for Employment and Training Programs." (June 1997). (*citing* Steuerle, C.Eugene and Jon M. Bakija. "Retooling Social Security for the Twenty-first Century." Washington, D.C.: Urban Institute Press. (1994)).

⁴⁷ See, Footnote 45.

⁴⁸ *Compiled by:* Montana Department of Labor and Industry; Office of Research & Analysis. "Profile of the Montana Worker." (September 1998); *Data from:* Montana Human Rights Bureau.

employers to utilize to avoid age discrimination suits, although this issue may be addressed in the future.

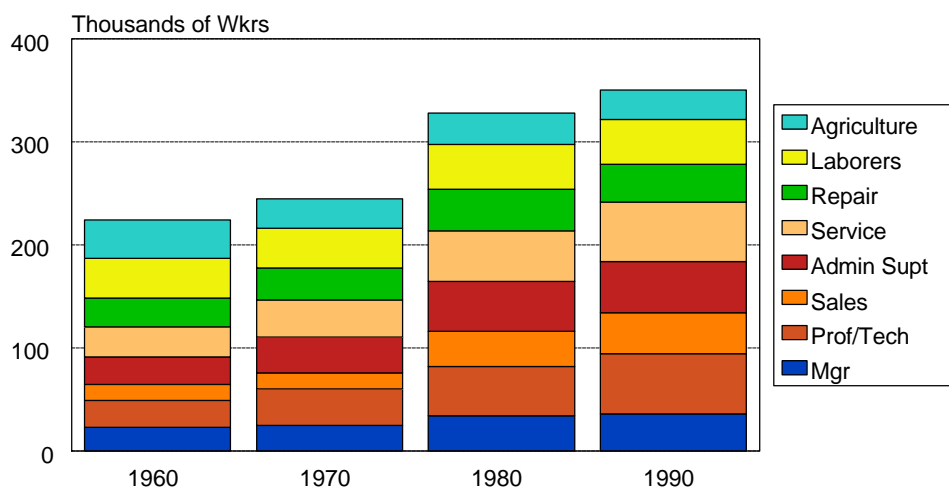
➤ **Retiring baby boomers will be valuable resources**

One approach to tapping into the valuable resources of retirees is to make it easier to combine work and retirement, thereby encouraging longer productivity and personal growth. The U.S. Department of Labor's report, "*The Aging Baby Boom: Implications for Employment and Training Programs*," suggests that given the clear evidence that most older persons prefer retirement, policymakers might do well to capitalize on both the life preferences that seem evident and the fact that more people remain healthy into older ages. Policy should continue to encourage work into older ages, but should not miss the opportunity to also encourage as much individual voluntarism as possible. One suggested policy approach would be to more directly encourage community volunteer activity. Surveys indicate that retired persons and others voluntarily out of the labor force already have high rates of voluntarism. The report concludes that the maturing baby boom generation represents a valuable national human resource, with high numbers of skilled and educated persons who will continue to be able to perform productive community activity in the future, even if it is outside the regular labor market. The report further recommends that policy should encourage such community volunteer work, possibly through the retirement or tax system. Government policies could also be developed to better channel volunteer activity to serve the most important public problems.⁴⁹

➤ **Retiring baby boomers will impact the dynamics of Montana's labor force**

DOLI officials anticipate the aging boom will increase demand for health care occupations such as nurses, nursing aides, orderlies, home health aides, and medical assistants. Growth is also expected in retail trade related occupations because of anticipated increases in the volume of consumption. Census data reflects that Montana's

Occupations of Montana Workers
1960-1990



Data from U.S. Census Bureau

Graph 8

labor industry has already seen significant growth in many of these occupations, including: service, sales, and administrative support. The U.S. currently has a number of jobs left open by a shortage of skilled U.S. workers. The Immigration Reform Act is allowing migration of skilled workers from other countries to fill job openings in Montana and other states. A Montana DOLI official theorizes there will be enough workers world wide to fill available jobs left open by retiring baby boomers. This theory raises several implications. First, migrant workers will have to come from countries that did not experience the same baby boom as the U.S. The second, and most significant implication, is the effect changing ethnicity, cultures, dialects, management practices, and work ethics will have on the labor force and society as a whole.

⁴⁹ See, Footnote 45.

E. COMMISSIONER OF HIGHER EDUCATION

1. MISSION AND PURPOSE

The Board of Regents is committed to providing reasonable access to higher education without unnecessary duplication of programs. The institutions that comprise the Montana University System are diverse. They are shaped by different histories and designed to meet different needs. The Montana University System is a single, unified organization comprised of two comprehensive, doctoral-level universities; four affiliated four-year institutions; and five merged colleges of technology. All units are bound together for the common purpose of serving the citizens of Montana. The system includes research universities, specialty institutions, and smaller colleges closely attuned to regional needs.

2. FAST FACTS

- The University of Montana Gerontology Education Committee, (GEC), was formed in 1987 to encourage development of aging coursework, research, student involvement, and community service.
- During the 1997 fall semester, 17 of the 30,419 full-time students enrolled in Montana's university system were over the age of 65. Of the 9,208 part-time students enrolled in Montana's university system, 167 were 65 or older. The vast majority of part-time students over the age of 65 attended community colleges.⁵⁰
- Currently, no gerontology degrees are offered by Montana's university system, although MSU in Billings offers a minor in gerontology at the undergraduate level.
- As adults' educational levels increase, so does their rate of participation in civic activities and community service.⁵¹
- There is less cognitive decline in people with more education.⁵²

3. ISSUES

- **The aging boom may affect priorities in funding education**

An official from the Commissioner of Higher Education's, (CHE), office anticipates that an increase in the aging population and a decrease in the birth rate may result in greater

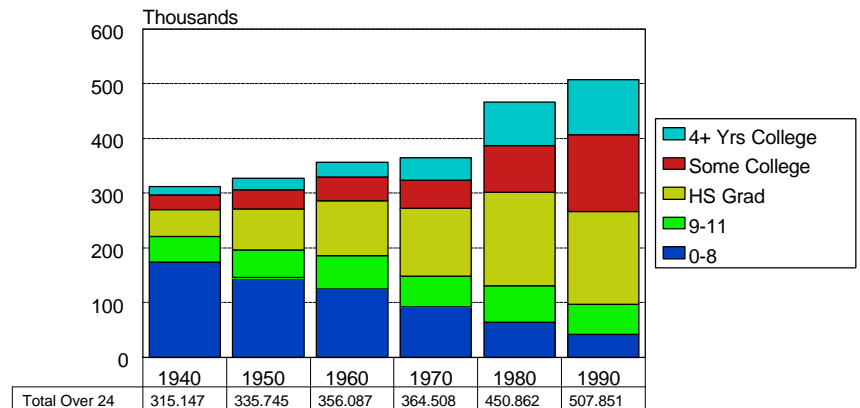
⁵⁰ Montana University System. "Montana University System Age Distribution and Gender Fall of 1997." Online. www.montana.edu/wwwoche/docs/facts/age_gender.html. 5 Oct. 1998.

⁵¹ National Center for Education Statistics. "The Condition of Education, 1998." Online. <http://nces.ed.gov/pubs98/condition98/c9835a01.html>. 20 Jan. 1999.

⁵² American Psychological Association. "Psychologists Identify Factors Associated with Cognitive Decline in Old Age." Online. www.apa.org/releases/aging.html. 15 Dec. 1998.

support for funding higher education. The office predicts there will be fewer children in K-12 classrooms. While few students over the age of 65 are currently in the university system, this is expected to change with the aging of the baby boomers. The baby boomers will be the first generation coming to retirement

Years of School Completed
For Montanans Over 24



Data from Montana Commissioner of Higher Education

Graph 9

with a broad range of higher education. Data from the CHE reflects that Montana's baby boomers have obtained considerably more education than their parents. Historically, the more educated an individual is, the more education that individual is likely to pursue. Consequently, the CHE's office anticipates that baby boomers will seek additional education for recreational or self-improvement purposes as they age.

➤ **The needs of an increasingly older population will increase demand for education which specifically addresses aging issues**

In addition to expecting an older student population, the CHE's office expects to see an increased demand for education in gerontology, aging services, social work, sociology, nursing, human development, psychology, and health care. Currently, no gerontology degrees are offered by Montana's university system, although MSU in Billings offers a minor in gerontology at the undergraduate level.

The University of Montana Gerontology Education Committee, (GEC), was formed in 1987 to encourage development of aging coursework, research, student involvement, and community service. This interdisciplinary committee is composed of faculty, students, and community professionals concerned with aging. The committee meets monthly and is open to anyone with an interest in furthering the development of gerontological education. Members of the GEC note that institutions of higher education must be responsive to change in order to prepare students for the professions and the world in which they will live. One significant change that will affect every aspect of life for Americans is the "aging boom." Members of the GEC note that students will be influenced personally and professionally by an aging society. As adults in the workforce, they will need to be prepared to serve an older population. The aging boom is expected to influence professionals graduating from almost every discipline.⁵³

⁵³ The University of Montana. "Gerontology Education Committee." Online. www.umt.edu/gec. 14 Jan. 1999.

➤ **The anticipated aging boom is spurring the research of aging issues**

MSU was designated the lead institution within the Montana university system for the Montana Center for Gerontology, now called the Montana Center on Rural Aging. The Center generates, accumulates, and distributes knowledge concerning aging and the aging processes through education, research, and technical assistance. According to the Montana University System Policy and Procedure Manual, the goals of the Montana Center on Rural Aging are to:

- ◆ Promote instruction of personnel in the field of gerontology;
- ◆ Stimulate, create, and coordinate opportunities for innovative, multidisciplinary inter-institutional efforts in educational instruction in the area of adult development and aging;
- ◆ Provide consultation and technical assistance in gerontologically-related topics to public, private and voluntary organizations;
- ◆ Serve as a repository of information and knowledge concerning the field of gerontology;
- ◆ Assist trainees of the individual gerontology programs to obtain information about and to acquire, where possible, gerontologically related employment;
- ◆ Undertake the lead responsibility in collaborating and initiating cooperative endeavors among the three existing gerontology centers and assist in the development of gerontology and other postsecondary educational institutions;
- ◆ Where appropriate, deal with local, state, and federal agencies on behalf of the cooperating institutions to set up cooperative research, education, training, and service programs.

In addition to the aging research conducted by the Montana Center on Rural Aging, the university system plans to study the effects of an increasingly older student population. The average age of the universities' student bodies is increasing due to the increase in non-traditional students. Currently, the university system is lacking an institutional research arm; so CHE staff are helping campuses create a student information system database which will allow the university system to research, study, and analyze any changes in the student population.

➤ **The aging boom may affect educational incentives available to seniors**

Currently, the Montana Senior Citizen Fee Waiver will waive incidental and registration fees for students classified as in-state residents who are at least sixty-two years of age. Currently, 21.7 full time equivalent students are utilizing the Senior Citizen Fee Waiver. A full time equivalent student is defined as a student who takes at least thirty credit hours a year. Unfortunately, any significant increase in the number of seniors utilizing this incentive may jeopardize the feasibility of offering this waiver in the future.

➤ **A wider range of educational opportunities may become available for baby boomers returning to school**

The CHE's office anticipates that students will soon be able to take courses via the internet. This technology will improve the availability of education for students of all ages across Montana. In addition, the university system is contemplating differential tuition which would require students attending the universities in Bozeman and Missoula

to pay a greater percentage of their education. Students attending smaller universities and colleges of technology, which are often times located in more rural areas, would pay for a lower percentage of their education. This financial incentive may very well entice more students to attend colleges located in rural Montana communities. Increased educational opportunities will benefit Montanans as they age, considering the best predictor of cognitive function has been found to be education. A recent study conducted by researchers at Harvard, Yale, and Duke University confirmed that there was less cognitive decline in people with more education and vice versa.⁵⁴

⁵⁴ See, Footnote 52.

F. DEPARTMENT OF COMMERCE

1. MISSION AND PURPOSE

The Department of Commerce works with economic and community development partners to foster diversification of the economic base through business creation, expansion, and retention, necessary improvement of public infrastructure; and to provide a reasonable, customer oriented, regulatory environment. DPHHS staff interviewed representatives from two sections of the Department of Commerce regarding the implications of an aging population. These sections include the Consumer Affairs Office and the Housing Division. The Consumer Affairs Office advocates on the behalf of Montana consumers in matters of unfair or deceptive business practices. The office investigates consumer complaints and provides an informal mediation process for consumer complaints against businesses. The office enforces Montana consumer protection laws and regulations relating to telemarketing, personal solicitation of sales, New Motor Vehicle Warranty Act, Consumer Protection Act, and the Unfair Trade Practices Act. The Housing Division includes the Home Investment Partnerships Program (HOME), the Section 8 Housing Program, and the Board of Housing. HOME provides grant funds to local government and community housing organizations for development of affordable housing for low income individuals. Section 8 provides rental assistance to very low income families to ensure the availability for decent, safe, and sanitary housing. The Board of Housing provides financial mechanisms which enable Montanans to own or rent decent, safe, and sanitary housing.

2. FAST FACTS

- Telemarketing fraud robs U.S. citizens of at least \$40 billion annually, according to Congressional estimates. Surveys by the American Association of Retired Persons indicate that over half of those victims are age 50 or older.⁵⁵
- In Montana, residents in Assisted Living facilities are typically female, aged 85 or older. In fact, 79% of all residents are female; 42% have some form of cognitive disorder, and the average resident has 3.1 basic Activities of Daily Living, (ADL), deficiencies.⁵⁶
- The average length of stay in an Assisted Living facility in Montana is just 26 months.⁵⁷
- In fiscal year 1997-1998, the average age of Montana seniors participating in the Reverse Annuity Mortgage Loan Program was 74. The average income of Montana seniors participating in the program was \$12,227.00.⁵⁸

⁵⁵ National Consumers League. "The Elder Fraud Project." (1997). Online. www.fraud.org/elderfraud/eldproj.htm. 20 Jan. 1999.

⁵⁶ Montana Department of Commerce. "The Montana Assisted Living Study: Demand for Assisted Living. (October, 1996).

⁵⁷ See, Footnote 57.

2. ISSUES

a. CONSUMER AFFAIRS DIVISION

➤ **As the aging population increases, the number of senior citizens who are victimized by consumer fraud is expected to increase**

Every year there is an increase in the number of consumers affected by fraud. The consumers who are most affected by violations of the consumer protection laws are senior citizens. Some of the most common scams involve telemarketing, door to door home repair solicitation, and mail order fraud. An official from Consumer Affairs expects a corresponding increase in scams affecting the elderly as the aging population increases in size. The office provides extensive consumer education to help protect the elderly and other consumers. Consumer Affairs staff hold educational conferences and meet with senior citizens. The office works closely with the American Association of Retired Persons, (AARP), on the Stop Fraud Hotline. The office is also aligned with the National Sheriff and Peace Officer association to develop strategies which protect elderly victims. In addition, the office provides brochures and advice about consumer fraud.

Consumer Affairs staff are fighting fraud by pursuing legislation which will provide additional remedies for violations of the Consumer Protection Act which include class action suits and civil money penalties against businesses who scam consumers. Consumer Affairs is also working with AARP in developing legislation which addresses telemarketing concerns.

b. HOUSING DIVISION

➤ **The affordability of housing for seniors continues to be a concern**

The lack of affordable housing is a problem for many of Montana's senior citizens. The housing industry has not grown along with the past rise in population. In fact, the gap between Montana's lower income citizens and access to affordable housing is widening. Federal guidelines indicate that poverty is rising in Montana and currently exceeds 16%, encompassing more than 142,000 Montana citizens.⁵⁹ However, housing prices continue to rise, making it more difficult for individuals to afford their own homes. The increasing pressures on the rental markets, in turn, drive up housing prices. One program, which helps make housing more affordable for the elderly, is the Low Income Housing Tax Credit program, which provides a maximum \$1000 refundable credit for property taxes or rent for Montana taxpayers 62 and older.

➤ **Extremely favorable demographic and market trends are spurring development of the Assisted Living industry**

The Assisted Living Industry now represents one of the most rapidly expanding sectors in health care services. These demographic factors include rapid growth of the 85 and older age group, increased numbers of adults living alone, and the changing roles of

⁵⁸ Montana Board of Housing. Annual Report Fiscal Year 1997-1998.

⁵⁹ Montana Department of Commerce. Economic and Demographic Analysis: August 12, 1998.

women in society. According to studies conducted for the American Association of Retired Persons, 79% of all residents in assisted living facilities are female, 42% have some form of cognitive disorder, and the average resident has 3.1 basic Activities of Daily Living (ADL) deficiencies. The average length of stay is just 26 months. Currently, nearly 95% of all residents are self-pay and 5% pay via long term care insurance. Government payments for assisted living have been limited or non-existent, with the exception of Social Security income that is used as partial payment by the resident. Some states, including Montana, have been able to develop Medicaid waivers to subsidize this form of elder housing.⁶⁰

➤ **The Board of Housing is committed to assisting low income elderly in remaining independent and utilizing the equity in their homes**

The Montana Department of Commerce staff is preparing their five year Consolidated Plan for Housing and Community Development, and the HOME Program is funding projects that specifically benefit seniors. The Board of Housing is committed to providing more funds to the Reverse Annuity Mortgage (RAM) program for elderly Montana home owners. RAM is available to low income senior citizens in Montana who own their own homes and have little or no remaining mortgage debt. The program provides these seniors with an additional income source from the use of equity in their homes. All borrowers must be 68 years of age or older, although some exceptions are considered. The borrower's annual family income must not exceed \$16,100 for a one person household, \$21,700 for a two person household, and \$27,300 for a three person household and up. The home must be located in Montana and occupied by the borrower. The loan amounts range from a minimum of \$15,000 to a maximum of \$50,000. The maximum loan amount is determined based on 80% of the FHA determined property value.

⁶⁰ See, Footnote 56.

G. STATE AUDITOR

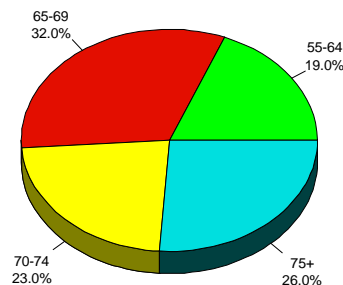
1. MISSION

The Insurance Division of the State Auditor's Office uses five bureaus to provide a number of services; from ensuring financial solvency of insurance companies to handling consumer complaints. The bureau handles consumer complaints involving insurance companies and their agents. It also examines the "market conduct" of companies which ensures carriers are complying with state law and are paying claims properly and timely. The Insurance Investigations Bureau investigates complaints and suspected violations of Montana's Insurance code and criminal code. Some of the bureau's investigators will investigate crimes like fraud, forgery and theft, while others concentrate on administrative infractions. This bureau also ensures that the companies that Montanans are buying insurance from are financially viable. The staff review financial affairs, accounts, records, and assets of each authorized insurer. Consumers may consult this bureau for financial ratings of insurance companies.

2. FAST FACTS

- In Montana, an estimated 80% of the cases involving securities and insurance fraud involve seniors who are 65 and older.
- Currently, 6% of Montanans have long term care insurance. The average age of a person purchasing long term care insurance is 72.
- Insurance companies in Montana do more than \$2 billion in business each year. To put this into perspective, the state collects about \$1.3 billion in taxes annually.⁶¹
- The insurance industry in Montana includes about 1,500 insurers and more than 14,000 licensed agents and agencies. The insurance business generates more than \$36 million dollars every year for state government through submittal of fees and premium taxes.

Long Term Care Insurance Purchasers By Age
National Data For 1994



Source: Health Insurance Association of America, 1995

Fig 8-4

3. ISSUES

- **As baby boomers age, the need for regulating insurance products will increase**
The State Auditor's office anticipates that the increase in Montanans 65 and older in the next ten to twenty years will affect the Insurance Commission. The commission will

⁶¹ State Auditor, Montana Insurance Division. Online. www.mt.gov/sao/insdiv.htm. 19 Jan. 1999.

need to vigilantly regulate new products in the market, including Medicare Plus Choice and Managed Care. The commission will need to ensure that coverage for new products will be adequate, especially for rural areas. With Montana's seniors continuing to work, the commission may also need to extend the availability of products such as Credit Life Insurance and Credit Disability Insurance past the age of 65. In addition, the commission believes Montana's seniors who change their minds about managed care, should have an opportunity to obtain other coverage, regardless of age.

➤ **The State Auditor's office is educating seniors about insurance products**

The insurance commission is educating residents in long term care facilities about long term care insurance. The commission also provides a Montana Buyers Guide to Medicare Supplement Insurance, Montana Consumer's Guide to Long Term Care, and a number of educational brochures which contain valuable information about fraud and insurance. The commission notes that outreach to seniors may need to be increased in the future.

➤ **An increase in the aging population may result in an increase in frauds perpetrated against the elderly**

An estimated 80% of the cases involving securities and insurance fraud involve seniors who are 65 and older. The Insurance Commission works with AARP and the Montana Senior Citizens Association to provide senior fraud protection. The commission anticipates that as the senior population increases, they are more likely to be targeted as victims of fraud. Seniors are often the targeted victims of fraud because they are trusting and have money in the bank.

The state Insurance Commission regulates insurance and securities. Unfortunately, with securities fraud often times there is no place to recover the money from. The Insurance Commission develops and supports legislation which protects the entire population, although those who are most at risk are often senior citizens. Montana statutes currently provide penalty options which permit victims to recover principal and interest for their losses. The Insurance Commission is working to make this a more common practice within the court system.

➤ **Insurance companies need to make policy changes to provide coverage for an increasingly older population**

One of the challenges of insuring an older population in Montana is obtaining coverage for seniors with pre-existing conditions. Currently available products provide only limited benefit plans such as cancer insurance or accident coverage. These products may be cost prohibitive or totally unavailable after a certain age. The Insurance Commission has identified a need to extend the age for coverage.

Some automobile insurance companies are requiring written and driving tests for seniors over certain ages, which indicates that insurance companies are adjusting to changing demographics. An official from the insurance commission notes that monitoring adjustments for changing demographics is important because these types of adjustments increase the risk for age discrimination.

In the future, the commission anticipates frequency of loss limitations may be challenged as insurance companies restrict the number of claims that can be filed against a policy. In addition, the Insurance Commission is trying to limit the insurance industry's use of credit and credit reports. The commission is also pursuing legislation which will protect the privacy of medical records and genetic testing results, which demonstrate a predisposition for health conditions, which insurance companies may not want to assume the risk of insuring.

➤ **The insurance industry is creating incentives for people to purchase long term insurance**

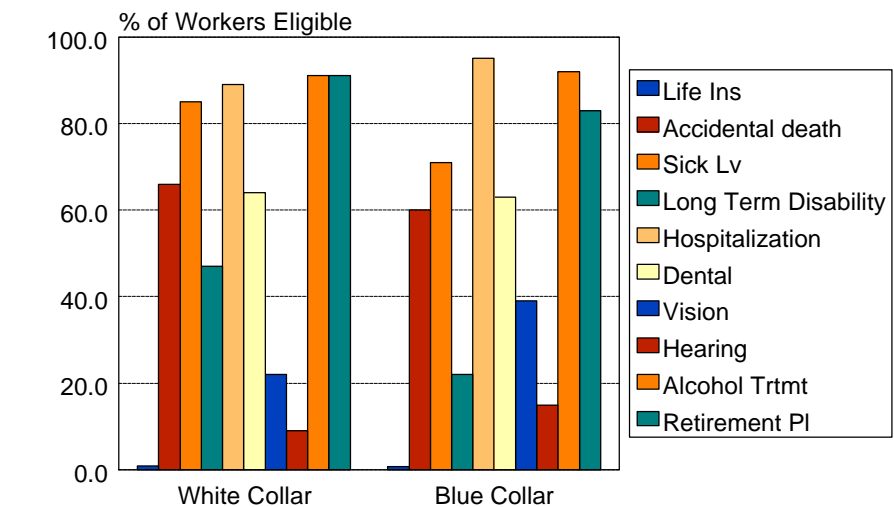
Data as recent as 1993 from the Department of Labor reflects that although a number of insurance, health, and retirement plans are offered to Montana workers, long term care insurance is not a benefit that is commonly offered. State employees became eligible for long term care insurance benefits in 1999. Currently, the average age of a person purchasing LTC

insurance is 72. This often makes the insurance difficult to obtain because of pre-existing conditions or affordability. The long term care insurance industry is creating some incentives for people to pursue insurance coverage through tax policy changes, by reducing gate keeping mechanisms, and by standardizing insurance packages. The commission notes that many companies are

responding to changing levels of care and care options. The commission predicts future incentives will allow groups of individuals to purchase long term care insurance. However, the commission is concerned that a conflict of interest could develop if long term care facilities buy in to group insurance products.

Currently, 6% of Montanans have long term care insurance. The commission expects this percentage to increase as the product becomes more affordable and competitive in the market place. The commission notes that enhancements such as short term care insurance and federal deductibility may be necessary to make long term care insurance more available. Unfortunately, few seniors itemize to receive deductions. The commission also feels that 90-day physical certification and ADL gate keeping

**Montana Insurance, Health & Retirement Plans
For Full-Time Workers In Businesses With > 50 Employees**



As of 9/93. Data from Mt. Dept of Labor.

State Employees Eligible for long term care insurance starting in 1999.

graph 10

mechanisms may need to be challenged to make long term care insurance more available. Home care policies are also becoming more sophisticated and providing better coverage. The Commission expects to see an increase in demand for this product, as well as products for new types of assisted living options.

H. DEPARTMENT OF CORRECTIONS

1. MISSION AND PURPOSE

The Montana Department of Corrections, (DOC), holds adult and juvenile offenders accountable for their actions against victims through custody, supervision, treatment, work, restitution and skill development. The department currently manages four adult correctional facilities and four youth facilities. The department's contract facilities and programs include four adult facilities, two youth contract facilities, and five pre-release facilities.

2. FAST FACTS

- The Department of Corrections considers an inmate elderly at the age of 50. Currently about 10 % of Montana's male inmates and 5% of Montana's female inmates are over age 50. The department projects that female inmates over the age of 50 will account for 6.8% of the female inmate population by the year 2003, while men over the age of 50 will account for at least 10% of male inmates.⁶²
- Inmates are generally about 11.5 years older in health status than their chronological age. This is attributable to assaultive behaviors, drug and alcohol abuse, poor health and dental care, and other lifestyle related behaviors.
- The cost per medical encounter for inmates in Montana over age 50 is more than double that of the younger population.

3. ISSUES

- **As the elderly inmate population increases, there will be an increase in need for health services and safety improvements in correctional facilities**

An increase in the number of aging inmates will result in an increase in the utilization of health services in correctional facilities. Lighting and stair and floor markings need to be improved to help offenders with failing vision to move safely in facilities. Reading materials with larger print will also need to be made available. Telephone systems and television sets may need volume adjustment capabilities, and older inmates may need to be segregated due to their need to increase the volume to accommodate hearing loss. Policy changes may be needed to permit footwear without shoe laces and/or to provide aging inmates with younger inmate helpers. In addition, temperature adjustments may be necessary for aging inmates because of their tendency to get cold. Elderly inmates need age specific programs which focus on discussing current events, board games, and activities such as strength and flexibility exercises. These activities are designed to keep older inmates mentally and physically active.

⁶² Montana Department of Corrections, Research Department. Population Projections for Offenders Age 50 and Over. (11/13/98).

Correctional staff need special training to manage older offenders. Current training programs are geared toward supervising younger, potentially volatile offenders. Interpersonal communication training is needed for voice pitch and for speed and clarity of speech and thought processes.

A skilled nursing home level of care within the prison system may soon be needed. The DOC is planning to create a special needs unit in at least one adult correctional facility, which provides a more compact, handicapped accessible program than is currently available. Montana State Prison has a campus of about 58 acres. Because of the size of the campus, it can be difficult for many of the aging inmates to go to meals or programs. Inmate helpers are now provided to push wheelchairs and assist individuals with personal care tasks. A special needs unit should make programs and meals more accessible for the elderly inmate population.

Department staff believe a focus on health promotion and disease prevention is more effective than treating disease. Montana has wellness programs in each Montana State Prison and the Montana Women's Prison. These programs focus on education and individualized exercise. Health promotion through education, exercise, and healthy lifestyle choices can help reduce serious illness and death.

➤ **The cost of incarcerating older inmates is expected to increase significantly as the percentage of older inmates increases**

Aging inmates consume considerable medical resources in prison because aging inmates generally have more chronic illnesses and require more frequent physician visits than younger inmates. The cost of incarcerating the elderly tends to be about three times as much as younger, healthier inmates. Many elderly inmates are affected by disabilities. Not all corrections facilities are in compliance with the Americans with Disabilities Act (ADA), which was recently found by the United States Supreme Court to apply to corrections facilities and programs. Cells with wider doors and handicapped-accessible toilets and showers need to be provided. Physical plant changes like these are necessary and costly.

When an offender is sentenced to the Department of Corrections, the inmate and the state are responsible for health care expenses. Private insurance is almost always invalidated by an offender's imprisonment. Medicaid or Medicare is responsible when application is made, the offender is found eligible, and is accepted by the program. Neither are generally available for inmates unless required for an inpatient hospital stay. However, categorical eligibility is still required; i.e.: over age 65, blind, or disabled. When transferred from prison to pre-release centers, offenders are accountable for payment of their medical expenses to the extent they are able. Consequently, if the safety of the community can be appropriately addressed, it is more cost effective to maintain offenders with private insurance or Medicaid in the community.

➤ **Policy is being developed to keep aging inmates with serious illnesses in the community**

A task force is developing policy to keep aging inmates with serious illnesses in the community when safe for the community. Keeping these offenders in the community under the care of their physician and with the support of their families may be more appropriate and cost effective in some cases. Home arrest, bracelet monitoring, and placement in pre-release centers are under consideration.

Medical paroles are being more frequently sought by the aging inmate population. Notably, age and poor health conditions affect parole eligibility determination both negatively and positively. For example, if an inmate qualifies for medical parole, the effect is positive. However, when the inmate is not qualified for medical parole, but is unable to work, which is a condition of traditional parole, this can hamper the inmate's ability to be paroled.

An increase in the percentage of Montana's aging prison population may result in more offenders being maintained in the community and consuming more community corrections resources. An aging inmate population will become increasingly costly to manage in prison because of the rising costs of medical services. Health care costs experience a 12 to 14 percent inflation rate each year, resulting in a doubling of medical costs over 6 to 7 years. Consequently, the DOC will need increased funding to pay for increased medical needs and prescriptions for an aging prison population.

I. DEPARTMENT OF REVENUE

1. MISSION AND PURPOSE

The Montana Department of Revenue, (DOR), was established in 1972 and has several major responsibilities. The department administers more than thirty state taxes and fees, including income taxes, natural resource taxes, corporation taxes, and miscellaneous taxes. The department supervises the operation of the state liquor stores and agencies, and administers the laws governing the sale, taxation, and licensing of alcoholic beverages. In addition, the department establishes values for all taxable property, including agricultural, land, residential real estate, commercial real estate, timber land, business equipment, railroads, and airlines.

2. FAST FACTS

- In 1997, the Montana DOR received 20,188 claims for the Elderly Homeowner/Renter Credit. Credit for these claims averaged \$427.00.⁶³
- In 1997, approximately 11,000 claims, averaging \$250.00 per claim, were filed under Montana's Property Tax Assistance Program. However, over 80% of Montanans who were eligible to make a claim under the Property Tax Assistance Program did not do so.⁶⁴
- In 1992, Montana implemented the Nursing Facility Utilization Fee or a provider bed fee. The current rate is \$2.80/day on all nursing home bed days paid for by third party payers (Medicaid, Medicare, and insurance.) Revenue collected in fiscal year 1998 totaled \$6,200,413.00. When the federal matching percentage, of 30% state funds to 70% federal funds, is applied to this revenue it provided for approximately \$14 million dollars of additional federal revenue, or over \$20 million dollars of combined state and federal funds, for the nursing facility program in fiscal year 1998.⁶⁵
- Approximately 9% of Montana's taxpayers are over the age of 65.⁶⁶
- In 1997, 746 claims were filed with the Montana DOR for the residential property tax exemption for disabled veterans and spouses of deceased veterans.⁶⁷

⁶³ Alexander, Cynthia. Department of Revenue. Personal Interview. 15 Jan. 1999/25 Jan. 1999.

⁶⁴ See, Footnote 63.

⁶⁵ Department of Public Health and Human Services, Senior and Long Term Care Division. Nursing Facility Utilization Fee and Nursing Facility Bed Tax Comparison. (Dec. 1998).

⁶⁶ See, Footnote 63.

⁶⁷ See, Footnote 63.

- In 1997, 42 Montanans filed claims for the elderly care credit, which averaged \$519 a credit.⁶⁸
- In 1997, approximately 4,572 Montana taxpayers filed for the long term care insurance premium itemized deduction, averaging \$1,427 a deduction and totaling \$6,524,960.00.⁶⁹
- Approximately one-third of the federal budget is now spent on Social Security and Medicare, yet most of this money does not come from the general treasury – it is raised through a dedicated FICA payroll tax or paid for by a monthly Medicare premium charged to seniors.⁷⁰
- The United States now spends more on interest payments for the national debt than it does on Medicare.⁷¹
- Social Security is now amassing billions of dollars in credits and is not part of the budget deficit.⁷²

3. ISSUES

➤ **Aging baby boomers may expect improved and streamlined customer service.**

According to an official from DOR, Montana's tax system will be impacted by an increase in the aging population. The department is preparing for the aging boom by identifying the needs of tax payers and re-engineering services to address these needs. The DOR is improving efficiency, communication, accessibility, and online services. This re-engineering of services will assist all tax payers, but especially the elderly, by simplifying services and making it easier to interact with, access, and understand the tax system.

One example of how the DOR is re-engineering services is the creation of a "one call" center for tax assistance, which is expected to handle 80% of all tax questions. DOR officials recognize the need to provide fundamental information to taxpayers of all ages. They also recognize the advantage of providing a logical sequence of information, in an environment which is consumer friendly and easy to access. The DOR's "one-stop shop" concept of customer service will allow taxpayers to gain diverse information from a single point of contact.

Other examples include the recent development of Telefile and direct deposit options for individual income tax filings and refunds. When taxes are filed through Telefile and

⁶⁸ See, Footnote 63.

⁶⁹ See, Footnote 63.

⁷⁰ The National Council of Senior Citizens. "Federal Budget." (1998). Online. www.ncscinc.org/issues/fedbudg.htm. 20 Jan. 1999.

⁷¹ See, Footnote 70.

⁷² See, Footnote 70.

refunds are direct deposited, taxes are processed and refunds issued more quickly and efficiently than when filing by mail. The department is considering creating a similar electronic commerce for handling other forms of taxes.

In addition, the Montana DOR has launched a comprehensive project called "META" which has been designed specifically to improve customer service. The META project will continue over the next several years. The project's primary goal is to increase department efficiency at a lower cost, while at the same time maintaining and improving customer service. Project META will require a significant change in the DOR organizational structure. The department will continue to perform its current overall functions, but will assemble tasks in groups of common business processes.

➤ **Aging baby boomers will have easier access to tax and revenue information at the local level.**

DOR officials recognize the importance of placing well-trained staff in local communities to provide greater public access to tax and revenue information. As a result, DOR officials have initiated an expanded training program for staff, who will then be assigned to offices located in each county to act as local information resources. The expanded training curriculum instructs DOR staff in tax and revenue areas which are beyond basic property tax guidelines. Their enhanced training will make it possible to provide a more diverse selection of information, and their placement in local communities will provide improved service at the local level.

➤ **The Department of Revenue offers tax education, assistance, and advantages for senior citizens**

Department of Revenue officials recognize that many Montana senior citizens are on fixed incomes and may be financially unable to meet all their expenses. This recognition has translated into several tax credits or advantages, which specifically assist low-income senior citizens, including; the "Elderly Homeowner/Renter Credit," the "Property Tax Assistance Program," the Disabled/Deceased Veteran's Residences Exemption," and a tax credit for caregivers. Currently, the DOR conducts yearly tax assistance workshops, located in many regions around the state. These workshops educate participants regarding their tax options, and are advertised in local newspapers. DOR officials are planning several new programs to encourage tax education and assistance for taxpayers.

Through the "Elderly Homeowner/Renter Credit" program, Montana taxpayers 62+ can receive a maximum \$1,000 refundable credit for property taxes or rent. The credit is computed using household income and total property taxes billed, including special assessments and fees, on the residence and land or on rent paid in the previous year. The form used to receive this credit can be filed with an income tax return, or by itself if a tax return is not required to be filed. In 1997, the Montana Department of Revenue received 20,188 claims for the Elderly Homeowner/Renter Credit. Credit for these claims averaged \$427.00.

The "Low Income Property Tax Assistance" program, reduces property taxes if the property owner meets certain qualifications. The form used to receive this assistance is

filed with the local Department of Revenue office, in the county where the property is located. In 1997, approximately 11,000 claims, averaging \$250.00 per claim, were filed under Montana's Low Income Property Tax Assistance Program. However, over 80% of Montanans who were eligible to file a claim under the Property Tax Assistance Program did not.

The "Disabled/Deceased Veteran's Exemption" program, exempts the residential property of certain disabled veterans and the spouses of deceased veterans from property taxation. In 1997, 746 claims were filed with the Montana DOR for the residential property tax exemption for disabled veterans and spouses of deceased veterans

Through the "Elderly Expense Care Credit" program, Montanans may be eligible to receive a credit for paying certain expenses for an elderly family member who is at least 65 years of age or a family member who has been determined disabled for Social Security purposes. Qualified elderly care expenses include the following if not compensated for by insurance: homemaker services, adult day care and respite care services, health care equipment and supplies provided to qualifying family members, care in a long-term health care facility that is licensed by the Montana DPHHS, and premiums paid for long term care insurance coverage for qualifying family members.

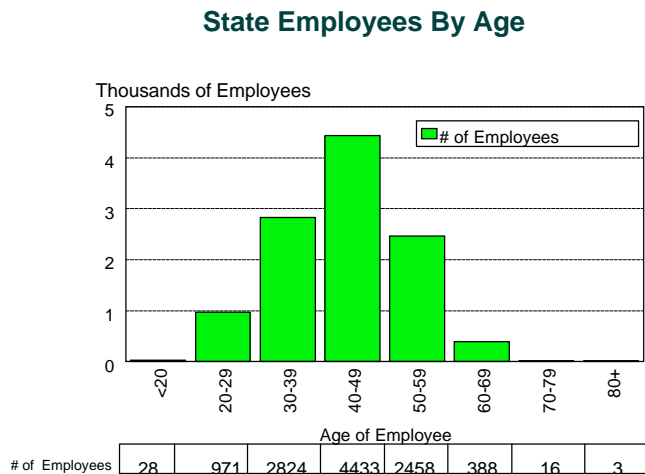
J. DEPARTMENT OF ADMINISTRATION

1. MISSION AND PURPOSE

The Montana Department of Administration provides services to agencies, employees, and the public while striving to minimize costs and maximize effectiveness. The department is responsible for: directing construction, repair, and maintenance of state buildings, setting accounting policy, providing banking services through the state treasury, processing and delivering agencies' mail, and maintaining office space in the capitol complex. The department also provides information technology services (voice, video, data), administers nine public pension plans, sets personnel policy, negotiates bargaining agreements, offers customized employee training, operates a self-insured health plan, and coordinates state agencies' printing needs. The Department of Administration operates an office supply store, surplus property program, and centralized purchasing program. The department also manages a property/casualty insurance plan and risk management, defends state agencies in tort actions and hearings, renders decisions on tax appeals, and issues general obligation bonds. The administration of nine pension plans and a tax appeals process are performed by "attached to" agencies.

2. FAST FACTS⁷³

- The State of Montana employs 10,447 permanent employees statewide.
- The average age of permanent state employees is 43.
- 69% of Montana State employees are of the baby boom generation 1946- 1964.
- Currently, 1,018 Montana State employees have over 20 years of service with the state.



As of 1/98

Graph 11

⁷³ Department of Administration, State Personnel Division. Employee Profile. (Jan. 5, 1998).

3. ISSUES

➤ **Montana's state government workforce is decreasing**

Department of Administration, (DOA), officials have recognized a trend which is likely to significantly impact the state employee workforce. They anticipate that over the next 4 to 7 years, there will be approximately 158 state employee retirements per year, in comparison to a past average of 90-100 retirements per year. Resulting vacancies will impact all areas of state government.

The DOA is preparing for an aging and decreasing state workforce. During the last legislative session, a beneficial new State of Montana employee category, "short term worker," was approved. Short term workers may be used when divisions require additional staff for a limited period of time. The short term worker may be hired for a period of up to ninety days. These positions do not require job classification or internal posting and do not offer benefits or specific salary ranges. Short term workers are often state employee retirees whose past training and experience can be put to good use.

In anticipation of state employee shortages, DOA officials have recognized some weaknesses in current recruitment practices. Fewer young Montanans are opting to accept state employment offers or are resigning their state positions in favor of more lucrative private sector employment. In an effort to respond to anticipated shortages, DOA officials are conducting an extensive analysis of current hiring practices and guidelines, to begin in 1999. This inquiry will focus on existing employee benefits, competitive salary ranges, and other employment issues. The information from this analysis will be used to improve and attract a quality workforce

➤ **The Department of Administration is dedicated to helping state employees plan their retirement**

DOA officials realize the importance of encouraging state employees to plan for their retirements. They also recognize the importance of effective and early retirement planning. Several employee benefits programs encourage and assist state employees in planning for their futures. A deferred compensation program provides for supplemental retirement savings. In addition, state employees, their spouses, and parents recently became eligible to purchase long term care insurance.

The legislative Committee on Public Employees Retirement Systems, (PERS), is submitting a proposal for an optional retirement plan for consideration by the 1999 legislative session. The proposal establishes a "defined contribution" retirement plan as an option to the current defined benefit plan offered through the PERS. A defined contribution plan allows employees to self-direct the investment of the employee and employer retirement contribution. The plan also provides employees with the opportunity to increase their retirement benefit. Many public employers believe that a defined contribution plan provides a competitive advantage in attracting and retaining employees.

K. DEPARTMENT OF MILITARY AFFAIRS

1. MISSION AND PURPOSE

The Veterans Affairs Division of the Department of Military Affairs provides statewide assistance to discharged veterans and their families. The division cooperates with state and federal agencies regarding the affairs of veterans and their families, and promotes the general welfare of veterans. The program also administers the veterans cemetery located at Fort Harrison in Helena.

2. FAST FACTS

- Currently in Montana, there are approximately 90,800 veterans. Approximately 36% of these veterans are 65 years of age or older.
- As of July 1, 1997 the nationwide veteran population was estimated at 25.6 million.⁷⁴
- Nearly 80 of every 100 living veterans served during defined periods of armed hostilities.⁷⁵
- Altogether, almost one-third of the nation's population -- approximately 70 million persons who are veterans, dependents and survivors of deceased veterans -- are potentially eligible for VA benefits and services.⁷⁶

3. ISSUES

- **An increase in the percentage of aging veterans is expected before the baby boomers begin to turn 65**

Department of Military Affairs' statistical information indicates that, historically, the number of Montana veterans 65 and older has remained fairly stable at 35% to 36% of the veteran population. Although the number of 65+ veterans has remained stable, increased longevity is expected to result in an increase in the percentage of older veterans. Interestingly, the veteran population will realize an aging boom even before the baby boomers enter the 65+ age group. The aging of the WWII and Korean Conflict Veterans will cause an aging boom for the veteran population in the year 2000, eleven years before the first baby boomer turns 65. In fact, the number of veterans aged 65 and older is expected to peak at 9.3 million nationwide in the year 2000. By the year 2010, 42% of the entire veteran population will be 65 years or older.⁷⁷

⁷⁴ Department of Veterans Affairs. "U.S. Veterans." (Aug. 24, 1998). Online. www.va.gov/vafvet.htm. 20 Jan. 1999.

⁷⁵ See, Footnote 74.

⁷⁶ See, Footnote 74.

⁷⁷ *Department of Veterans Affairs*. "Long-term Care at the Crossroads." (June 1998).

➤ **Aging veterans need changes in long term care and mental health options**

The Department of Military Affairs has long provided veterans with information and referral regarding the Eastern Montana Veterans Home in Glendive, as well as the Montana Veterans Home in Columbia Falls. Hopefully, the future Alzheimer's unit, planned for the Columbia Falls facility, will be available as another service option.

Many patients in nursing homes, domiciliary, and home and community based programs need mental health services. In a 1994 survey of VA nursing homes, (VANHs), 37% of patients had dementia, 18% had depressive disorders, 15% had alcohol dependency/abuse conditions, and 14% had schizophrenia. The VA needs to expand its long term care/mental health collaborations beyond VANHs and domiciliaries. In fact, the U.S. Department of Veterans Affairs recommends the VA expand options and services for home and community based care, making these services the preferred placement site, when clinically appropriate, for veterans needing long term care. The VA is not prepared to address increased demand for long term care or needed efficiencies within current services. To develop stronger long term care services, the VA must commit to allocating a larger portion of its budget to long term care, shifting most new demand from VA-provided to VA-contracted services.⁷⁸ According to an official from the Montana Department of Veterans Affairs, no new programs are planned at this time to meet the changing needs of Montana's retiring veterans, with the exception of the planned development of the Alzheimer's unit. However, the Department of Military Affairs is committed to assisting veterans and plans to maintain current programs and service levels.

⁷⁸ See, Footnote 77.

L. DEPT. PUBLIC HEALTH AND HUMAN SERVICES

1. MISSION AND PURPOSE

The Montana Department of Public Health and Human Services, (DPHHS), improves, preserves, strengthens, and protects the health, well-being, and self-reliance of all Montanans. Representatives from six divisions of the DPHHS were interviewed regarding the implications of an increasing aging population. These divisions include: Adult Protective Services, Disability Services Division, Quality Assurance Division, Health Policy and Services Division, Addictive and Mental Disorders Division, and Senior and Long Term Care Division, (including Aging Services Bureau, Budgeting and Analysis Bureau, Nursing Facility Services Bureau, and Community Services Bureau). DPHHS staff can only report the needs and numbers of those Montanans the department serves. However, DPHHS staff note that a number of Montanans are only one crisis away from needing public assistance, which could directly impact the services that are available to the elderly.

2. FAST FACTS

- In 1998, Montana Area Agencies on Aging served 1,205,617 congregate meals, at an average cost of \$3.26 per meal. In addition, the Area Agencies served 603,737 home delivered meals, at an average cost of \$3.54 per meal.⁷⁹
- While the aged, blind, and disabled currently only account for 25% of Medicaid recipients, they require 74% of total Medicaid expenditures in Montana.⁸⁰
- Approximately 1 in 10, (95,562), Montanans received Medicaid assistance in 1997. Montanans over the age of 65 constituted 11% of the state's population receiving Medicaid.⁸¹
- Alzheimer's disease is now one of the leading causes of death in Montana, but not the U.S.⁸²
- Montana has 51 adult day care centers, 31 retirement homes, 112 adult foster care homes, 111 personal care facilities, and 109 long-term care facilities.⁸³

⁷⁹ Department of Public Health and Human Services. 1998 Program Data. (12/23/98).

⁸⁰ Department of Public Health and Human Services. The Montana Medicaid Program – Annual Report for 1997 and Report to the Legislature for the 2000 – 2001 Biennium.

⁸¹ Department of Public Health and Human Services. Health Care Financing Administration 2082 Report for Montana for FFY 97. (12/26/97).

⁸² Department of Public Health and Human Services. Montana Health Agenda. (April 1998).

⁸³ Department of Public Health and Human Services. Quality Assurance Division. Total Licensed Beds Per Facility Type. (December 1998).

- Medicaid would cost Montana taxpayers 17% more per year without the savings generated by Medicare and other insurance coverage for recipients.⁸⁴
- The Medicaid Lien and Estate Recovery Program savings have gone from \$578,000 in 1996 to \$1,334,397 in fiscal year 1998. Recoveries for 1999 are expected to exceed \$1.5 million.⁸⁵
- According to Montana's Adult Protective Services, APS staff received 2,495 referrals in fiscal year 1998 and 1,522 referrals in the first six months of fiscal year 1999. The National Center for Elder Abuse reports that between 1986 and 1996 there was a 150.4% increase in reported cases of domestic elder abuse nationwide.⁸⁶
- Adult children are the most frequent abusers of the elderly, comprising 47.3% of the abusers reported in 1996. Spouses comprised 19.3% of the reported perpetrators of elder abuse reported in 1996. Other relatives were the third most frequent category of perpetrators at 8.8%, while grandchildren comprised 8.6%.⁸⁷
- The 1996 Merrill Lynch Baby Boom Retirement Index indicates the typical baby boomer does not save nearly enough and will be forced either to accept a significantly lower standard of living during retirement or to delay retirement indefinitely, if his behavior remains unchanged. In fact, the 1996 Merrill Lynch Baby Boom Retirement Index indicates the average baby boomer ought to nearly triple his rate of saving.⁸⁸

3. ISSUES

a. ADULT PROTECTIVE SERVICES

Adult protective services are provided to reduce or remove the risk of physical or mental injury, neglect, abuse, sexual abuse, or exploitation for persons who are at least 60 years of age or older, persons who are 18 years of age or older who have developmental disabilities, or other adults with disabilities, Adult Protective Services (APS) is the exclusive protective unit for Montana's elderly community living outside long term care facilities. The increase in the aging population is expected to have a major impact on Adult Protective Services.

⁸⁴ Department of Public Health and Human Services. 1999 Department Guide.

⁸⁵ See, Footnote 84.

⁸⁶ National Center for Elder Abuse. "Elder Abuse Information Series #2." Online. www.gwjapan.com/NCEA/Statistics/p2.html. 14 Dec. 1998.

⁸⁷ Administration on Aging, Department of Health and Human Services. "The National Elder Abuse Incidence Study; Final Report - Characteristics of Elderly Victims, Reported to APS." (Sept. 1998). Online. www.aoa.dhhs.gov/abuse/report/Gfindings-02.htm. 11 Jan. 1999.

⁸⁸ Merrill Lynch, Pierce, Fenner & Smith Inc. "The 1996 Merrill Lynch Baby Boom Retirement Index." (1998). Online. www.merrill-lynch.ml.com/personal/retire/bb_index.html. 20 Jan. 1999.

In 1996, the median age of elderly abuse victims was 77.9, according to national data excluding self-neglecting elders.⁸⁹ Nationwide, females comprised 57.6% of the elderly population over 60 years of age in 1996, while males constituted 42.4%. However, national data indicates that elderly females constitute a disproportionate amount of elder abuse victims. For example, in 1996, elderly females constituted 60% of neglect victims, 76.3% of emotional and psychological abuse victims, 63% of financial/material exploitation victims, and 71.4% of physical abuse victims. Abandonment was the only category where elderly male victims accounted for a greater percentage (62.2%) of abuse victims.

Perpetrators of elder abuse are most likely related to the victim. For example, in substantiated incidents of elder abuse in 1996, approximately 47% of the perpetrators were adult children, 19% were spouses, 9% were grandchildren, 9% were other relatives, 6% were siblings, 6% were friends/neighbors, 3% were in-home service providers, 1% were out-of home service providers, and 0% were parents.⁹⁰

➤ **APS anticipates elder abuse, neglect, and exploitation will increase with the aging boom**

APS staff anticipate an increase in their caseload due to the combined increase in the aging population and an increase in adults with disabilities living in community settings. The agency has requested more resources, including six additional full time adult protective services workers, and funds for direct emergency services. APS is also taking steps to coordinate more closely with Licensing, Area Agencies on Aging, and Medicaid Fraud to better assist Montanans who are at risk.

➤ **APS is participating in private/public partnerships to expand protection for vulnerable adults**

The Gatekeepers Program in Billings is a partnership between Adult Protective Services and the Billings Chapter for the Prevention of Elder Abuse, (a non-profit corporation), which provides vital education, assessment, and intervention on behalf of seniors at risk for abuse, neglect, and exploitation. The program encourages everyone to be a part of the solution in preventing elder abuse and promotes neighbors helping neighbors. Most often, victims of abuse are isolated from society and these crimes go unreported. Many elderly live alone and have few friends and family to look out for them. The Gatekeeper Program teaches bank tellers, postal service staff, delivery workers, utility workers, grocery cashiers, and others in the community about the indicators of abuse and neglect, where to report a suspected abusive situation, and the availability of services to adults at risk. This partnerships, which brings the private and public sector together to accomplish a common goal, has proven very effective. DPHHS officials believe that creating additional private/public partnerships like the Gatekeeper Program would be an effective and resourceful way to improve and increase services for the vulnerable and the elderly.

⁸⁹ *National Center for Elder Abuse*. "Elder Abuse Information Series #3." Online. www.gwjapan.com/NCEA/Statistics/p3.html. 14 Dec. 1998.

⁹⁰ See, Footnote 80.

➤ **APS is enhancing service delivery to vulnerable adults**

DPHHS has created a statewide computer databank for Child and Adult Protective Services (CAPS). The data will be available to all APS workers and will provide access to all referrals that warrant input. The CAPS system is used to record reports regarding the abuse, neglect, sexual abuse, and/or exploitation of elderly or disabled adults. The system is also used to document requests for information in which no investigation will be conducted, or when professional services not requiring investigation are provided. The CAPS system is a statewide computer network designed to enhance service delivery to vulnerable children and adults in Montana. The computer databank is still in the early stages of development.

APS recently updated their policy manual, provided more intensive training for APS workers, and developed closer coordination with APS supervisors. APS officials are also pursuing relocation to the Senior and Long Term Care Division of the Department of Public Health and Human Services. This will enable APS staff to share resources with the Ombudsman Program, Area Agencies on Aging, and the Aging Services Bureau. In addition, APS is working toward developing closer ties to the Montana Advocacy Program which advocates on behalf of Montanans with developmental disabilities.

➤ **APS is supporting legislation that provides better protection for the elderly**

APS officials are supporting amendments to the Elder Abuse Prevention Act. These amendments include a definition of exploitation, increases the number of mandatory reporters, and increases penalties. The proposed amendments are a coordinated effort between Legacy Legislature, AARP, Governor's Council on Aging, Montana Senior Citizen Coalition, and the Montana Advocacy Program.

b. DISABILITY SERVICES DIVISION

The Division of Disability Services coordinates, develops and implements comprehensive programs to assist Montanans with disabilities. The division serves approximately 9700 Montanans each year. The mission of the Disability Services Division is to provide services to Montanans with disabilities which assist them in living, working, and participating fully in their communities.

The Disability Services Division serves Montanans of all ages with disabilities. This includes: persons with developmental disabilities, persons who are blind or visually impaired, persons who are deaf or hearing impaired, persons with physical and mental disabilities, persons with traumatic brain injuries, and a wide variety of other disabling conditions. The division provides or contracts for a number of services, including: institutional care, residential services, home-based services to families, and case management. In addition, this division provides a variety of employment outcome related services including: counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services for the blind, rehabilitation teaching services for the blind, independent living services, medical services, job placement, and supported employment. In addition, Disability Services staff are responsible for the medical adjudication of all Social Security Disability and Supplemental Security Income claims.

The Disability Services Division expects a minimal impact on their program due to the increase in the aging population. The division expects to see an increase in the older blind population. An impact is also expected for persons with developmental disabilities because they are living longer. Senior programs, group homes, and day activity centers are expected to be impacted by an increase in the aging population. The division also expects to see some impact on independent living needs, jobs, and vocational rehabilitation for those individuals who are 65 or older who wish to continue to work.

➤ **The aging of Montanans with developmental disabilities is generating change in the services that are available**

The average profile of a client served by Disability Services is a young adult with severe mental retardation, cerebral palsy, or some other cerebral disorder which occurred before age 18. These individuals either live in a group home or with someone else and go to a job, or day/work program in the community. The primary needs of these individuals are safety and integration. Aging Montanans with developmental disabilities have significant medication needs. They also have chronic health care problems which intensify as they age. The increased intensity of their health care needs may eventually render their living arrangements inadequate and may necessitate an increase in staff to provide care. This raises a question as to whether the appropriate placement for these individuals is in a group home or nursing home. More group homes are providing skilled nursing care. In addition, persons with developmental disabilities, like all individuals, need recreational activities to replace their work programs as they age. Disability Services staff are considering expanding Senior Day Programs to meet the needs of aging Montanans with developmental disabilities. The division is also monitoring the number of aging Montanans with developmental disabilities.

➤ **Vocational rehabilitation services may not be seriously impacted by an increase in the aging population**

The average vocational rehabilitation client is an individual who has suffered blindness, deafness, traumatic brain injury, or orthopedic injury, in his/her mid-twenties who was injured on or off the job, and can no longer perform that job. Their primary needs include: assistance with education, retraining, counseling, vocational assessment, and/or adaptive equipment. Disability Services rehabilitated 950 Montanans into re-employment in fiscal year 1998. The average entry wage for these workers is \$7.00 hourly. Vocational rehabilitation services will only be affected by an increase in the aging population to the extent that Montanans 65 and older become disabled and want to continue to work.

➤ **Services for the blind will be impacted by an increase in the aging population**

Disability Services provides a number of services to the blind including: vocational rehabilitation, orientation, teaching independent living, cane travel, and leader dog work. The division empowers these Montanans to live independently. Disability Services estimates that approximately one third of the blind that they serve are over the age of 55. This number is expected to increase and affect demand for services.

c. QUALITY ASSURANCE DIVISION

The Quality Assurance Division, (QAD), designs, implements, and monitors comprehensive and coordinated quality assurance plans. The division's bureaus and program units utilize comprehensive reviews, fiscal evaluations, and performance measures to evaluate the delivery of DPHHS services provided by the citizens of Montana.

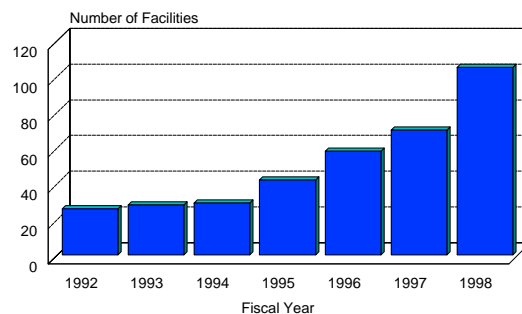
➤ **An increase in the aging population may affect the quality of care that is available to the elderly**

The QAD noted a 50% increase in the number of Personal Care Homes in 1998. Approximately 2,287 beds are now available in personal care homes across Montana.

This has had a direct impact on the number of residents living in nursing homes. While the number of residents in nursing homes has decreased, the residents are generally older, have a higher acuity, and require more skilled nursing care. To complicate matters, less employees are available for hire in nursing homes, and the staff that are available need more skills to provide care for patients with increased acuity.

Less resources are available to nursing homes because of the decline in the overall number of residents, but more services are needed by the residents because of higher acuity. This raises serious concerns as to how nursing homes will continue to provide quality services. QAD staff have seen changes in the number and types of deficiencies cited against nursing homes. The number of deficiencies cited is down, and the number of deficiency free facilities is up. However, a greater percentage of the deficiencies that are being cited relate to quality of care. The rapid growth in the personal care home industry also creates concern that quality of care issues are more likely to develop in personal care facilities. Although, QAD officials note that stiffer competition may force facilities to provide higher quality care. QAD officials also recognize that an increase in the aging population may increase their workload and impact regulatory requirements.

**Growth in Montana Personal Care Facilities
1992-1998**



Source: DPHHS Licensing Bureau

Pc_facil

➤ **Increasing acuity in the elderly may generate change in services provided by Personal Care facilities**

Currently, §50-5-227, MCA defines two categories of Personal Care facilities. Category A encompasses facilities that provide personal care to six or more residents who may not be: in need of skilled nursing care; in need of medical, chemical, or physical restraint; nonambulatory or bedridden; incontinent to the extent that bowel or bladder control is absent; or unable to self-administer medications. Category B includes facilities providing personal care to five or fewer residents who may be: in need of skilled nursing care; in need of medical, chemical, or physical restraint; nonambulatory or bedridden, incontinent to the extent that bowel or bladder control is absent; or unable to self-administer medications. QAD staff do not expect an increase in the number of "B beds" that are

available to personal care homes to provide care for residents with higher acuity. However, in the future, legislation increasing the availability of “B beds” may result from public demand. Increasing care needs may result in higher risks for residents in personal care facilities. Consequently, regulation may be necessary for the personal care industry as providers begin serving nursing home level of care residents and keeping them longer.

d. HEALTH POLICY AND SERVICES DIVISION

The Health Policy and Services Division, (HPSD), plans and implements statewide health policy, improving and protecting the health of Montanans. HPSD manages two major programs: Public Health and also Medicaid. The Medicaid program managed by this division does not include long term care or mental health programs, but includes all other Medicaid programs. HPSD provides a wide range of preventive, primary, and acute care, and public health services for individuals and communities. Services are provided by a wide range of private and public providers, including physicians, public health departments, clinics, and hospitals. Over 6,000 providers are enrolled in the Medicaid Program. The division also contracts with over 500 private non-profit providers for the delivery of health care services.

➤ Access to health care for the elderly is improving

Currently, only 4 of 56 counties do not have a county health department. HPSD staff, particularly the Health Systems Bureau and the Medicaid Services Bureau, are working with communities to improve access to health care. This is especially critical for areas with a high proportion of the population who are poor, who are age 65 or older, and areas with inadequate health care services.

➤ Diseases and health care issues affecting the elderly are expected to increase

The HPSD develops a state health agenda every two years which addresses the diseases, health, and behavior affecting Montana’s senior citizens. According to the 1998 state health agenda, Alzheimer’s disease is now one of the leading causes of death in Montana. Cardiovascular disease is the number one leading cause of death in Montana. Approximately 38% of the deaths of Montana residents in 1996 were caused by cardiovascular disease, and 77% of these deaths involved Montanans who were 65 years of age or older. The DPHHS Chronic Disease Prevention and Health Promotion Section’s nutrition, physical activity, and tobacco prevention and control programs address health risks which cause cardiovascular disease. The division works with other organizations on a number of pilot programs intended to educate Montanans about healthy lifestyles, physical activities, and dietary practices.⁹¹

In 1998, policy recommendations were proposed addressing nutritional care plans and nutritional quality of meals provided in personal care facilities. Due to an increase in the prevalence of diabetes and its complications in the elderly, the Montana Diabetes Project is assisting Aging Services in providing educational posters and flyers on foot and eye care for diabetics, which will be distributed to congregate sites and those receiving home-delivered meals. According to the Montana Behavioral Risk Factor Surveillance System’s 1996 Survey Results, an estimated 53,000 Montanans, (6% of the population),

⁹¹ See, Footnote 84.

have diabetes, and 8.2% of Montanans 65 and older were told they have diabetes in 1996. The HPSD works with the Montana Licensure Bureau, State Ombudsman, and Nutritionist of the Aging Services Bureau to coordinate policy which protects the health and independence of the elderly. The division is also offering training for senior meal program staff which addresses standardization of recipes, nutrient enhancement of menus, and texture modification to accommodate the changing nutritional needs of older adults.⁹²

Pneumonia is a serious health issue which affects the elderly. The Center for Disease Control, (CDC), estimates there are 268,000 cases of pneumococcal disease per year in the United States among persons 65 years of age and older. On the average, 32,800 elderly persons die each year from pneumococcal disease. People older than 65 are more likely to contract pneumococcal disease than the general population. The Montana Behavioral Risk Factor Surveillance System survey in 1996 reflected that approximately 47% of the respondents aged 65 and older indicated they had received a pneumonia vaccination at least once in their lives. However, only 24% of nursing home residents had been vaccinated before or after admission to the facility. Men reported higher pneumococcal immunization levels than females.⁹³

A study of deaths among Montana's elderly from between 1990 and 1991 reported falls were the leading cause of injury. Fall injuries among senior citizens often result in hip fractures, especially among women. Each year, 15 to 25% of hip fractures among women over age 65 result in excess mortality or require nursing home care. In 1996, 74 Montanans died from falls, and the group aged 65 and older accounted for 81% of the fatal falls. Osteoporosis, visual and physical impairment, poorly designed and lit stairways, improper footwear, slippery and or icy conditions, medications, and alcohol abuse are factors contributing to falls among older adults. One goal of the Emergency Medical Services and Injury Prevention Section of DPHHS is to implement, monitor, and evaluate a fall reduction campaign in homes and other residential facilities serving older populations.⁹⁴

➤ **The elderly can expect more efficient health services in the future**

HPSD is developing ways to provide more efficient services for the public. Division staff have created an Integrated Data for Evaluation and Assessment (IDEA) project which will integrate local and statewide systems. The project emphasizes local integration to improve services to families and communities and to facilitate local policy making and program planning. The project will be piloted in 4 or 5 counties this fall, and division staff hope to have it functioning statewide by the end of 1999. IDEA will combine over fifteen free standing public health systems into one, so that data can be more effectively compiled and analyzed. Implementation of a central databank will

⁹² Department of Public Health and Human Services. The State of Food and Nutrition in Montana. (December 1998); Department of Public Health and Human Services. Assessing Health Risks in Montana 1996 Survey Results. (June 1998).

⁹³ Department of Public Health and Human Services. Assessing Health Risks in Montana 1996 Survey Results. (June 1998).

⁹⁴ Department of Public Health and Human Services, Emergency Medical Services and Injury Prevention Section. Injury Prevention and Control Plan. (September 1, 1998).

result in less time spent on data manipulation, and more time spent improving administration, evaluation, and management of local public health programs. IDEA participants include county health departments and commissioners, state legislators, local and state health program and systems experts, Indian Health Service and tribal health department representatives, software development consultants, representatives of parent groups, and concerned citizens.⁹⁵ In addition, the HPSD is considering creating a senior health program which will focus on senior health issues.

e. ADDICTIVE AND MENTAL DISORDERS DIVISION

The addictive and mental disorders division assures a statewide continuum of effective prevention, treatment, and rehabilitation services for people with chemical dependency and mental illness. These services are provided directly by the division in three state-operated facilities and through funding relationships with private service providers.

➤ Services need to be expanded for the elderly

The staff of the Addictive and Mental Disorders Division, (AMDD), have recognized the need for expanding supportive mental health services; not only services attached to facilities such as nursing homes and personal care homes, but also through "Telemedicine" broadcasts over the MetNet. "Telemedicine" makes services more accessible to citizens and practitioners, especially in rural Montana. An official from the division feels mental health services should also be attached to adult day treatment facilities, and should be available through partial hospitalization and home-based services. This will enhance and expand future service delivery and accessibility. In order to explore this service possibility, division officials are contemplating options which will create links and partnerships between the state and care providers.

➤ Mental health services for aging citizens are currently under-utilized

Historically, mental health services for aging citizens are often under-utilized, due to the social stigma attached to mental illness. Many mental illnesses related to aging are often treatable, and can most likely be treated in less restrictive environments. However, until the social stigma attached to mental illness is addressed, it is difficult to predict how well mental health services will be utilized in the future.

➤ There is a need to increase chemical dependency services for the elderly

AMDD staff recognize the need for more services for aging Montanans who experience chemical dependency. The myth that chemically dependant senior citizens are "old drunks" is not true. A senior citizen is more likely to abuse prescription medication than alcohol. However, many senior citizens abuse alcohol in addition to prescription medications. According to the National Institute on Aging, "This is a special problem for people over 65, because they are often heavy users of prescription medicines and over-the-counter drugs." In Montana, there are currently (28) chemical dependency programs serving citizens. AMDD officials are considering the partnership of these programs, which would enhance services and accessibility for all Montanans.

⁹⁵ See, Footnote 84.

f. **SENIOR AND LONG TERM CARE DIVISION**

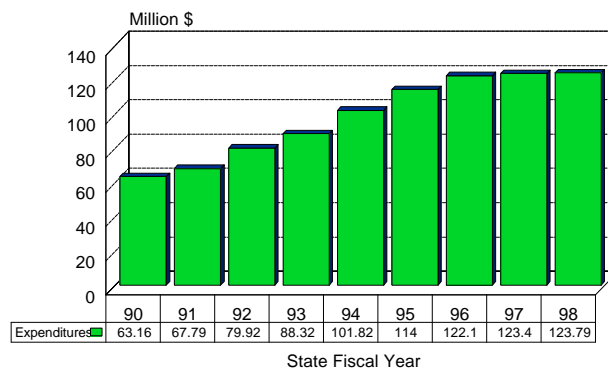
The Senior and Long Term Care Division, (SLTCD), was created in 1995 to provide a focal point for state government's efforts to provide, promote, and plan high quality long term care services for Montana's senior citizens and people with severe disabilities. Long term care is a general term describing a variety of medical, social and other services which are designed to meet the ongoing need for support and assistance people often experience as a result of the natural aging process, a severe disability, or an injury. In fiscal year 1998, the division provided services to approximately 38,000 Montanans. Specific SLTCD functions include:

- ◆ making payments to Medicaid funded nursing facilities;
- ◆ managing Medicaid funded home and community long term care programs that assist people to remain in their own homes or live in smaller residential alternatives;
- ◆ administering the state's veterans' nursing homes in Columbia Falls and Glendive;
- ◆ administering programs for senior citizens funded through the federal Older Americans Act such as meals on wheels, senior centers, congregate meal sites, Ombudsman and legal services, and transportation services;
- ◆ educating the public about long term care issues and services;
- ◆ assisting the public in long term care planning;
- ◆ working with the private sector to promote high quality long term care services; and
- ◆ acting as a catalyst to help Montanans address aging related issues now and in the future.

➤ **The aging of the population and demand for home and community based services will result in pressure to increase long term care expenditures**

The staff of the SLTCD believe the aging of the population, especially the aging of the Baby Boom generation, is certain to have a significant impact on long term care expenditures. Medicaid is the payment source for most public long term care expenditures in Montana. Most Medicaid services are entitlements, meaning they must be provided to all eligible recipients who need them. The state pays approximately thirty percent of each Medicaid dollar spent, with the federal government supplying the remaining seventy percent. The majority of the state's long term care expenditures are for nursing homes. While more money is spent on nursing homes than on any other long term care service, overall demand for nursing home care is decreasing. In contrast, the demand for home and community services such as assisted living and in-home care is growing rapidly. In general, state spending on long term care has remained stable for the past three years. Decreases in spending on nursing homes have offset increases in spending on home and

Total Medicaid Expenditures For Long Term Care Services
SFY 90 - 98



FY 90 & 91 Home Health data not available. Used FY 92 level.

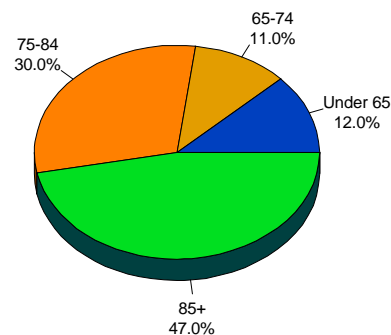
community services. However, the recent low rates of expenditure growth are not likely to last. Changing demographics associated with an aging population will almost certainly result in pressure to increase long term care expenditures. Demand for publicly funded home and community services is expected to be particularly strong. SLTCD staff have taken a number of steps to better understand and manage long term care expenditures, while maintaining access to these valuable services for consumers. In addition to current activities, DPHHS is proposing that the 1999 Legislature place a portion of the proceeds from the tobacco lawsuit settlement in a trust fund to help meet the future “health and long term care” needs of Montanans. SLTCD staff believe that setting aside a portion of the settlement in a trust fund would be a wise decision, preparing Montana to address the long term care needs associated with the aging of the Baby Boom generation, while limiting the financial impact on its citizens in the future.

➤ **Nursing homes are struggling to remain competitive in the health care industry**

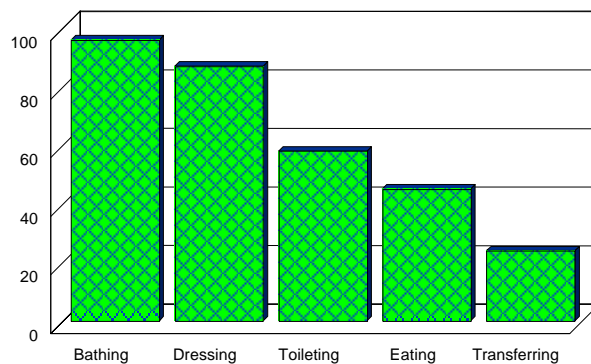
SLTCD staff believe the role of the nursing home is clearly changing. Nursing home occupancy, which historically has been between ninety and ninety-two percent in Montana, is currently in the low eighties and may decline even more. While fewer people are going into nursing homes, the people who do, have a higher level of need, (acuity), than ever before. In other words, nursing home residents are older and sicker than in the past. The dual trends towards lower occupancy and higher resident acuity are putting a great deal of pressure on nursing homes. Nursing facility staff are addressing these challenges with at least two basic strategies:

Diversification - Many nursing homes are providing a variety of home and community services in order to capture a share of that emerging market. Some providers have added home health and personal assistance services to the menu of services they provide. Some providers are building new assisted living and licensed personal care facilities. Others are looking into converting vacant nursing home beds into licensed personal care beds. Each of these strategies has its problems: new construction is expensive; decertified nursing home beds may be difficult to bring back into service down the road should the market change; and, nursing home beds converted to assisted

Distribution of Montana Nursing Home Residents By Age
FFY 1997



Source: HCFA 2082 report, FFY 97
Percent of Nursing Home Residents Age 65+ at Admission
Receiving Help With Specific ADL's in 1995



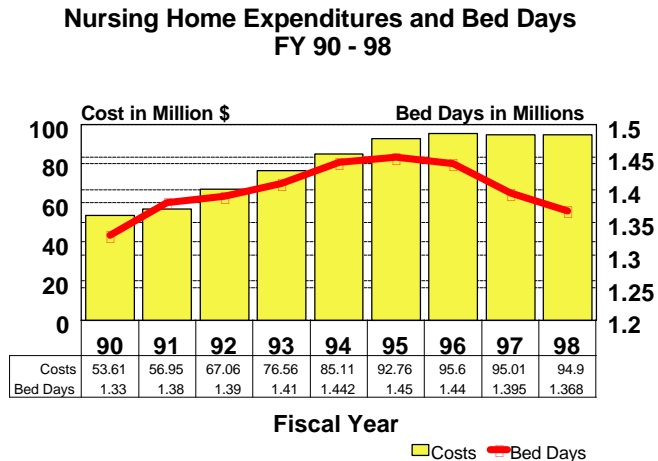
Source: 1995 National Nursing Home Survey

Fig 5-2

Fig 5-7

living may not be able to compete with the construction of new assisted living facilities in the market place.

Specialization - Specialized care for people with a variety of dementias is a growing market. Many providers are building, or converting, existing beds to add special care units. Providing short term rehabilitation services as an alternative to hospitalization is also becoming popular. Because assisted living facilities are also adding special care units, and home care is increasingly able to provide a wide range of alternatives for patients leaving the hospital, it remains to be seen how large the market is for nursing homes which offer these specialized services.



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Should the decrease in nursing home occupancy continue, SLTCD staff believe future policy makers and legislators will face difficult choices relating to: the need to operate as efficient and affordable a long term care system as possible; the desire to respond to the increasing demand for home and community services from the public; and the desire to maintain the level of access to nursing home services in large and small communities across the state. In addition to the challenge of low occupancy, the increasing acuity of residents, as well as the closely regulated nature of nursing home services, will make it difficult to reduce staffing and other services in order to control costs and will increase pressure on both public and private reimbursement rates.

➤ **The health care industry is suffering from a growing shortage of health care workers**

More and more senior citizens are aging in place and seeking home health care for assistance with activities of daily living such as bathing, dressing, toileting, and eating. The good news is that the Medicare home health benefit has grown rapidly in recent years and has surpassed Medicaid as a source of financing for home health care. Medicare provides the elderly with relatively easy access to home health benefits, while Medicaid offers only limited home and community-based long-term care services, and individuals must have few resources to be eligible to receive benefits.⁹⁶

The bad news is that the health care industry is struggling to attract health care workers to meet the combined demand for home health services, skilled nursing services, assisted living, and adult day care services. Wages for home health workers typically commence at minimum wage level, and peak between \$6.50 to \$7.00 per hour. Additionally, very few home health agencies offer employees benefits such as sick or vacation time, health

⁹⁶ Bectel, Robert M. and Enid Kassner. American Association of Retired Persons, Public Policy Institute. "Midlife and Older Americans with Disabilities: Who Gets Help?" (1998).

insurance or retirement plans. Training is often minimal, and home health workers are largely unsupervised. The average length of employment in these positions is between 6-12 months. Employee turnover rates are just as high for nursing homes and assisted living facilities. The full impact of this labor shortage is reflected in the rising incidences of self-neglect, elder abuse, and exploitation. Because additional labor shortages are expected by the Department of Labor and Industry due to the retiring of the baby boomers, labor shortages in the health care industry will most likely become even more serious. SLTCD staff are addressing this worker shortage by advocating for wage increases and by increasing provider training. SLTCD staff anticipate that, in the future, interactive video communication may provide one solution for the health care industry. Interactive video has the potential to provide for the reassurance and monitoring of our most frail citizens, information dissemination, and state-wide training opportunities.

➤ **Information is becoming an increasingly important service**

As recently as ten years ago, the options and choices available to seniors regarding long term care services were limited, at best. Today the world of services and funding is increasingly complex. The array of options seems to change almost daily. As more and more people enter the time of life when they are making plans and decisions regarding long term care for themselves, or in support of their parents, they will need help. In the past, the function of public agencies, such as SLTCD, has largely been limited to paying for, and ensuring the quality of, services to the people eligible for its programs. While that role will surely continue, the staff of the SLTCD believe there is considerable value in providing accurate and reliable information about aging issues and services to everyone, including people who may not be eligible to receive, nor want, government funded services. Helping Montanans understand and plan for aging and long term care issues is not only valuable in and of itself, but it may also reduce the need for public expenditures in the future. In other words, people who plan now may not need as much help later. The SLTCD has a number of projects underway to make accurate and reliable aging related information more readily available to Montanans, including:

- ◆ a public information campaign involving the distribution of print and other material called “Your Future is in Your Hands;”
- ◆ a series of nine public forums on long term care related issues broadcast on KUSM public television during 1998/1999;
- ◆ the Aging Horizons television show broadcast weekly on TCI cable across Montana;
- ◆ development of a SLTCD Web-Site at “<http://www.dphhs.state.mt.gov/sltc>” including a directory of long term care services in Montana;
- ◆ strengthening and supporting the information and referral services provided by the state’s eleven Area Agencies on Aging;
- ◆ providing training and information on Medicare and other health insurance programs;
- ◆ sponsoring the annual Governor’s Conference on Aging; and
- ◆ developing and disseminating self-help materials such as a booklet entitled, “Hiring In-Home Help - Practical Suggestions for Consumers.”

IV. CONCLUSION

There is little doubt that the social and economic implications of the aging Baby Boom generation will be significant. The State of Aging in Montana was never intended to identify and answer all of the aging related questions that will present themselves over the next thirty years. Rather, it is our belief the report should serve as a catalyst to inspire an ongoing public conversation about how this demographic transformation is likely to affect the way we live and work in Montana. Our focus is on the implications of aging from the perspective of state government - the thing we know best. Clearly, the topic is much bigger than that. We hope to stimulate interest in broadening the discussion to include business and community leaders, local government officials, and Montanans from all walks of life. The State of Aging in Montana is simply the beginning of a conversation worth having.

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